

Extensive advertisement for Douglas Engineering & Contracting, listing services in various locations like Birmingham, Cardiff, Glasgow, etc.

Advertisement for 'Economic slump' featuring a bar chart and text discussing the state of the economy.

Advertisement for 'Power cuts' and 'Nuclear safety' with a line graph showing trends.

Advertisement for 'Oil price' and 'Nuclear safety' with a line graph showing trends.

Advertisement for 'Shipbuilding' and 'Steel' with a line graph showing trends.

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TGWU suspended for hour in TUC row with pub men

BY CHRISTIAN TYLER, LABOUR EDITOR, IN BLACKPOOL. The Transport Workers, Britain's biggest union with nearly 2m. members, received the fright of its life yesterday when it found itself suspended from the TUC—at least for an hour or so.

German employer chief kidnapped

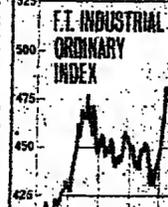
BY ADRIAN DICKS. BONN, Sept. 5. Dr. Hanns Martin Schleyer, president of the West German Employers' Federation, was kidnapped after a savage terrorist attack on his car in Cologne, during which three police bodyguards and a driver were shot dead.

Japan set for £4.3bn. reflation

BY DOUGLAS RAMSEY. TOKYO, Sept. 5. The remainder of the package will go toward loans for the housing industry. In terms of final demand, Japanese economists think the package could be worth closer to ¥3,000bn. and thus serve as a major incentive for industries to begin investing again.

Equities rise 12.0; advances in gilts

BUSINESS. Equities rose 12.0; advances in gilts. EQUITIES made further good gains at the start of the new Account. The FT 30-Share Index rose 12.0 to close at 519.5, the highest for five years and about 5 per cent. off its all-time peak of 546.3.



Public sector borrowing within IMF limit

BY PETER RIDDELL, ECONOMICS CORRESPONDENT. THE PUBLIC sector borrowing requirement in the first three months of the financial year was comfortably within the limit for 1977-78 agreed with the International Monetary Fund.

Changes

The Central Statistical Office said yesterday that the borrowing requirement for April to June was £1,716m, seasonally adjusted. This is £399m lower than in the previous three months and is the lowest quarterly figure for three years.

New owners take tough line in Daily Express dispute

BY DAVID CHURCHILL AND MAX WILKINSON. MR. VICTOR MATTHEWS, the new chairman of Beaverbrook Newspapers, showed his determination to win his first industrial dispute at the Daily Express last night when warehousemen in the London offices were deemed to have dismissed themselves.

Democratic

Mr. Shindler said during the process that the first decision was to elect the 'very democratic' nature of the TUC.

Sources

The main change in the April-June quarter compared with the previous three months was a drop from £580m to £360m in the borrowing of local authorities.

Discount rate

The 0.75 per cent cut in the official discount rate which took effect on Monday is intended to convince businesses that funds are now cheap enough to make investing worthwhile.

Features

Table of contents listing various features and pages, including 'Paraguayan politics', 'Spratly Islands dispute', 'Australia uranium issue', etc.

Large advertisement for Blackwood Hodge featuring a landscape image and text: 'There are still a few places where Blackwood Hodge are not known. In 50 countries throughout five continents, Blackwood Hodge are a land-mark in the construction industry.'

2 LOMBARD

Sick news from America

BY ANTHONY HARRIS

THE EFFORTS of the Carter administration to impose some sort of price control on the cost of medical care is a story which deserves a lot more attention than it is likely to receive in this country, and not only for the light it throws on the difficulties of our own health service. A time when the "privatisation" of the social services is again a fashionable notion among some Tory intellectuals, it is a salutary warning.

The stark fact behind the President's initiative is that for years now the cost of health care in the U.S. has been rising at about twice the rate of general price increases — the cost of dying, you might say, is getting out of line with the cost of living. This has certainly not reduced demand for medical care: expenditure on doctoring even absorbs no less than nine per cent of U.S. national product. This is more than twice as high as our own expenditure on the NHS, in national income terms. In real terms it is a staggering sum, of somewhere near \$140bn. — roughly three-quarters of the whole British national income. Yet with all these resources, there remains a real shortage of medical care for poorer Americans. They simply cannot afford it.

The reason for the President's attempted intervention is that the Federal Government cannot afford to meet the rising cost of care either. Unless the escalation of charges can be checked, he will find it very hard to carry out his pledge to introduce socialised medicine. Even Americans who are privately insured — the majority — may also be grateful to him, however. The cost of private insurance is no joke.

At the root

According to the Conference Board, to whom I owe the facts cited here, the insurance system is at the root of a good deal of the trouble. Doctors in the U.S. even more than car repair men in this country, can prey men write their own bills when an insurance company is paying, and there is no check on the prescription of highly expensive treatment.

What is perhaps worse, many insurance schemes are limited to hospital care. This simply results in hospital treatment for many cases which could, so far as medical need is concerned, be treated perfectly well at home. Hospital care, costs and equipment are therefore on a particularly steeply rising curve. The whole problem spawns its own, no doubt expensive, treatment:

health economics is a growth market for U.S. graduates.

For the economist on the other side of the Atlantic the story also raises some broad and puzzling questions. To start with a relatively sordid issue, one would like to know how far the rise in costs is not caused by insurance-financed demand, but by the stranglehold of the American Medical Association, which looks from this distance like a pretty thuggish trade union. Certainly American medical salaries are a very practical question for any country which is suffering a brain drain.

Fastest growing

It seems likely, though, that private insurance, which has much less power over costs than any other scheme, (even in wealthy Sweden certain kinds of treatment are ruled out for cost reasons) does have a built-in tendency to raise costs. The premium is a necessity; there is a very natural temptation to try to get value for a very large outlay when the unhappy time comes. The fact that medical expenses are of necessity met by insurance of one kind or another is probably one reason why health care is the fastest-growing sector of demand in nearly all rich countries.

It is still arguable that private insurance, however extravagant the result, has one very important advantage over any state scheme: it does not add to the tax burden. The discontent one feels over high insurance bills is not of the same kind as tax resentment, and there is no evasion.

All the same, unless some way can be found to keep costs under control, the American system does have one overwhelming disadvantage — the one which has provoked the President: it is virtually incompatible, once a certain cost level is past, with any decent standard of universal care. Many people who are far from egalitarian on general grounds would still feel that serious illness puts us all on a level.

The other potential disadvantage is that any health insurance scheme is basically a split-milk approach: there is little place in it for preventive medicine, the positive health service which Bernard Shaw imagined, and which our own system of paying general practitioners by the length of their list, well or ill, is at least designed to encourage, though with little visible result. On the whole I'd stick to the NHS, warts and all.

SPORT

CRICKET

BY TREVOR BAILEY

Weakened England should still beat Pakistan and New Zealand

THE ENGLAND GROUP to tour Pakistan and New Zealand this winter is rather predictable and really has only two major surprises. The selectors, of course, have been handicapped by the non-availability of Greig, Underwood, Knott, and now, Woolmer, four regular members of the team that regained the Ashes. They have signed for Kerry Packard.

Although this must automatically weaken the touring party, it should prove strong enough to beat Pakistan, whose loss of outstanding cricketers in the Australian television magazine has been greater than our own, and New Zealand, who have yet to win a test against us.

The 16 divides itself into four natural groups, batsmen, all-rounders, bowlers, and two keepers. There are six pure batsmen, Brearley (captain), Boycott, Randall, Roope, Rose, and Gatting. As members of the national eleven, all but Rose and Gatting can be said to have been reasonably assured of a place.

Rose is a dependable left-hander who has blossomed slowly, and has enjoyed an excellent season for Somerset. He is unlikely to open in the Tests, of which there will be three in Pakistan and three in New Zealand, but he could well establish himself in the middle order.

Gatting must consider himself fortunate, as he has yet to score a first-class century, but he does possess considerable ability and should become a very good batsman with a wealth of attacking strokes. Although at present, he is inclined to get himself out with a rash shot when set, he ought to be able to overcome this particular weakness.

My personal regret is that a place could not be found for the young Lancashire left-batter, Gow, whom I believe to have something special. In general this looks a reasonably balanced touring party who should do well under Mike Brearley. The party: Brearley (Middlesex), Boycott (Yorkshire), Gathman (Somerset), Creepe (Yorkshire), Downton (Kent), Edmonds, Gatting (Middlesex), Hendrick (Derby), Lever (Essex), Miller (Derby), Oid (Yorkshire), Randall (Nottingham), Rose (Somerset), Taylor (Derby), Willis (Warwick).

much as had been expected. He has the basic skill. The selectors had to seek a replacement for Knott, who has done so well for England behind the stumps and with the bat.

Their first choice was naturally Taylor, an outstanding keeper but not nearly so good a batsman as his predecessor. As Number Two they gambled on the comparatively unknown Downton. Gow has impressed all who have seen him, and now has a wonderful chance of following in the great tradition of Kent wicket-keepers, Ames, Evans and Knott.

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Edmonds has promised much as a slow left-hander and a useful middle-order batsman for some time, without improving as

YACHTING

BY ALEC BELL

Whitbread pace quicken near Canary Islands

MOST OF THE 15 competitors in the Whitbread round-the-world yacht race, who last week were struggling off the west of Spain in light winds, are now making good progress to the north of the Canaries. They have picked up north-east trade winds to help them on the 6,850-mile Portsmouth-Gape Town first leg.

Leading the fleet is Lestie Williams and his crew aboard the 77-foot sloop, Heath's Condor. But trouble with the radio receiver has forced her to put into coastal waters at Las Palmas where a replacement radio will be lowered to the yacht by helicopter this evening.

The stop-over is almost on her best track south, but the crucial factor will be whether she arrives in daylight. If she does not, the crew will have to wait until morning for the radio to be put aboard, losing valuable time.

Race controllers at their headquarters in Portsmouth have been attempting to plot the latest positions. But information from the yachts has at times been sketchy.

British crews have been given an early edge in reporting via the GPO Radio Centre at Portlisshead. Yachts of other nationalities have been using their national communication centres. Dirk Naama, skipper of Tielsa, a Dutch ketch sponsored by a kitchen equipment manufacturer, and known by the crew as the Flying Kitchen, never missed a scheduled when the crew was on the Atlantic. This is again a sign that trade winds are performing as expected, and that the main handicap prize, the Broad Trophy, and Cornes Rideschoten, her owner, is planning for the next dedicated precision years.

The yacht has already sailed the Royal Western YC 150th anniversary transatlantic race, this summer. For the next 900 miles the Canaries to the Cape Islands, it is a matter of before the wind. But 300 miles to be before reaching the Equator, 2,000 miles away.

Calculating a handcap leader is an almost impossible task with so much change in the time of positions. But it would appear that the light weather off Spain has been reached.

John McEnroe, the 18-year-old qualifier who reached the semi-finals at Wimbledon, continues to wreak havoc among the stars of the tennis circuit. McEnroe, whose home is only minutes from the Forest Hills Stadium, knocked out the third-seeded Eddie Dibbs in the third round of the United States Open Championships, 6-2, 4-6, 6-4.

The match lasted two hours and seven minutes under floodlights, including a 10-minute break after the opening game, when a spectator in the crowd of 7,000 was shot in the leg.

The court was cleared, the action of the stadium where the match occurred was temporarily evacuated, and the match, Mr. James Rely, 33, was taken to hospital with a flesh wound, received, police suspect, from a sniper shot.

On resumption, the match was incident-free, but McEnroe's stocky left-handed opponent, a 30-year-old Argentine, frustrated her attempts to get to the

RACING

BY DOMINIC WIGAN

Queen's filly is a good bet

RIDING PLANS for the St. Leger, Britain's oldest classic, which is only four days away, seem to suggest that there will probably be a dozen or more for Alleged, Ireland's bol favourite.

Although it is hard to fault the credentials of the Vincer O'Brien colt, who will be hiding to give Lester Piggott his eighth victory in this race, the current odds of 4-5 have little appeal. The Queen's filly, Dunfermline, seems to represent far better value. Top-quoted at 20-1, the Oaks winner offers 5-1 a place to early backers. At this price, she seems to offer exceptional value. Lord Forechester, the Queen's racing manager, whose game colt, Smuggler, might have made the frame in last year's race won by Crow had the ground been faster, is hopeful that Dunfermline will acquit herself well. He told me earlier this week that the royal filly has been working particularly well.

the St. Leger one of his luckiest races over the years, looks set to partner Remozo, an easy winner from Girl of Shiraz at York. Queen's filly, Dunfermline, a length fourth behind classic Example in Royal Ascot's King Edward VII stakes, is available at 66-1. He, too, cannot be ruled out of each way calculations at those odds.

Turning to today's racing, I think the afternoon's best bet is Remozo, a stablemate of Dior Queen. This powerfully made half-brother of Muncie had some smart form in the spring, winning at Sandown and York. She may be back to somewhere near her best following a good rest.

I take Hide's mount to give a good deal of weight to Lumbeth Walk in the Grimthorpe nursery at Pontefract. An hour earlier out of Date may provide the answer in the afternoon's feature event on the Fartree, the Royal Weather's Pennine Mile Championships.

He is confident that she will leave her disappointing York, shire Oaks form well behind. If Dunfermline is able to regain winning form in Saturday's race, she will become the sixth filly to the history of the St.

Legger to achieve the Oaks-St. Leger double. The last filly to achieve this feat was Memora in 1890.

Willie Carson, who rode such a strong finish to get Dunfermline home from Freeze the Secret at Epsom, again has the mount on the West Nisley filly. Alan Bond rides stablemate, Gregarious, who is likely to cut out the early running. Edward Hide, who has found

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TENNIS

BY JOHN BARRETT

McEnroe continues the havoc

JOHN McENROE, the 18-year-old qualifier who reached the semi-finals at Wimbledon, continues to wreak havoc among the stars of the tennis circuit. McEnroe, whose home is only minutes from the Forest Hills Stadium, knocked out the third-seeded Eddie Dibbs in the third round of the United States Open Championships, 6-2, 4-6, 6-4.

The match lasted two hours and seven minutes under floodlights, including a 10-minute break after the opening game, when a spectator in the crowd of 7,000 was shot in the leg.

The court was cleared, the action of the stadium where the match occurred was temporarily evacuated, and the match, Mr. James Rely, 33, was taken to hospital with a flesh wound, received, police suspect, from a sniper shot.

On resumption, the match was incident-free, but McEnroe's stocky left-handed opponent, a 30-year-old Argentine, frustrated her attempts to get to the

got him to the Wimbledon semi-final against Jimmy Connors. McEnroe, who now meets the third seed, Manuel Orantes, for a place in the quarter-finals, broke Dibbs in the fifth and seventh games to take the first set in impressive style and he then led 2-0 in the second. Bot Dibbs counter-attacked to win the next three games and held his lead to level the match at set-all. The vital break of the match came in the seventh game of the final set, and it was young McEnroe who achieved it.

Like Tracy Austin, McEnroe is still an amateur, and cannot claim any of the £1,500 he has already won. He is only entitled to £25-a-day expenses.

On a cool overcast morning taken to hospital with a flesh wound, received, police suspect, from a sniper shot.

On resumption, the match was incident-free, but McEnroe's stocky left-handed opponent, a 30-year-old Argentine, frustrated her attempts to get to the

WINE

Another record year in the salerooms

BY EDMUND PENNING ROWSELL

RECORD turnover was again achieved by Christie's and the Sotheby's for their wine sales in the recently ended 1976-77 season. For lots actually sold in the London auctions Christie's total was £23m. Sotheby's £23,000. Christie's also chalked up another £207,000 for sales held abroad, and Sotheby's £154,000; and in addition both firms held sales for other companies in the U.S., Hong Kong and South Africa, totalling £28,000 on which they claimed their commission. To complete the wine auction turnover picture, Sotheby's derived £38,000 from a sale held in Glasgow, while Bonhams and Phillips sold wine in their rooms to the value of £18,000 and £12,000 respectively.

Considering the fact that up to eleven years ago fewer than a dozen regular wine auctions took place in London a year, compared with almost a hundred in the past season, and that a turnover of around £100,000 has been turned into one exceeding £3m, the development by the London auctioneers of the market in wine has been both rapid and spectacular.

They have, of course, been helped by the increased interest in wine, the growth of the international market in wine, and particularly in the U.S., and the boom-and-bust period that has existed since the beginning of this decade. No doubt it was the latter factors that late in 1970 encouraged Sotheby's to follow the initiative of Christie's who re-started their wine department in 1966. Then two or three years ago Phillips and Bonhams entered the wine auction field with modest success, but Phillips have now announced that they are giving up selling wine. In spite of the spectacular prices achieved for rarities, none can be compared with the high prices disposed of in the adjoining fine art and rare book salerooms, and owing in the problems of wines lying abroad or in hand, of duty payments, VAT, and transport, the administrative costs of auctioneering wine must be high, but there is, fortunately, no buyer's premium on wine.

The London auctioneers have also been assisted negatively by the impetuosity or excess placed on wine auctions in other countries, including the U.S. and France, and positively by the fact that those who want to buy fine wines of any age and quantity are almost head in quest in London. To buy in Bordeaux only a few dozen leading claret of say, ten years old, or in Burgundy a fine Côte d'Or wine of even less seniority, would be a difficult and expensive

business in the former place and probably impossible in the latter. For outside a few properties and special reserves growers and merchants do not expect to keep stocks over the years.

Moreover, the financial pressures of the past few years have obliged the rather few remaining traditional British merchants to reduce their stocks of older wines, a trend unlikely to be reversed in the foreseeable future owing to the difficulties of replacing vintage wines of ever-advancing prices. So the auctioneers, able to draw on the reserves of older wines (mostly still in private hands) offered for sale, have to some extent taken over the role of the retail wine merchant, though unless the drinker may be reasonably assured of the condition of the wine auctioned, the old caution of caveat emptor applies as much to wine as to anything else.

Nevertheless, in spite of the advantages the wine auctioneers have enjoyed in recent years, they have done very well to maintain, let alone improve, their position in the past year. For in the past three years or so they have had to contend with a hotter and drier summer than the 1976-77 season, which yielded over 600,000 and Sotheby's two-day sale of cru-bourgeois Médoc in June — it rather looks as if large surplus stocks have by now mostly been dispersed, except perhaps for such unpopular vintages as the 1972 clarets that were originally offered at excessive prices.

More weight, therefore, is necessarily placed on the rarities and the 80c wines of vintage, sought-after vintages that attract collectors, nearly all of them American, with a smattering here and there from Scandinavia. The Continent and Scandinavia, certainly in the past season these were well catered for: from cellars in France, from ancient wines unearthed by Christie's belonging in Sir John Thompson at Woodpecker House, Oxfordshire, and the exceptional sale of no fewer than 63 vintages from the reserves and private cellars of Ch. Latour. The top price at the Woodpecker sale was £440 for a magnum of Lafite 1870, and at the Latour sale £2,800 for an imperial (75cl bottle) of the 1800. Both fell to deaux only a few dozen leading claret of say, ten years old, or in Burgundy a fine Côte d'Or wine of even less seniority, would be a difficult and expensive

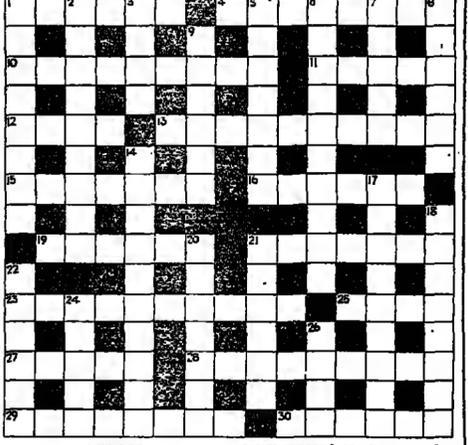
port years, including '55 '56, has been very firm. In the first season they have often passed the attained in the speculation that reached a top to 18 advance has been part marked since the begin this year. For example, '45 that in 1973 was £220-£350 a dozen, and £1 in 1976 has been in the £ bracket in 1977. For Rothschild '61 the cost figures are £280-£400, £1 and £480. Among the cases this year, compared top of £170 in 1973, the shipper's '55 has risen £140, as against £66-£116 in the intervening year. In the intervening year falls were recorded, an who bought in 1974, it early as your will be some hardening by current. The same applied other classed-vintage down to the 1966 vintage ever, for those prepared to terms with inflation, or younger fine clarets and ports are still very good notably the '70s and '71s former and '63, '66 and '7 latter.

Moreover, for those the Napoleon broody. Romance, vintage made here in Bordeaux, and remained moderate in general run of spirits, i wines, burgundies and however, it is desirable the quality of what is I their normally attractive down prices may be attri the general absence of trade buyers from the in the past year sma certainly by many private. Yet it must be stated the high prices in terms of have been paid by some later with such ighly. As for the coming seas some information is know likely trade disposals, il- cully to forecast the t turnover and prices. Their little doubt that varieties a confident may depend buyers, most of them abroad; and there see shortage of such wines. I trade buyers return to stocks after a virtual even for special comm of three or four year prices of younger wine risk: Whether domestic buyers, not at all promi the past season, becom confident may depend state of the economy a progress of inflation. I auctioneers may be ha it to do as well as in such as '45 and '61, and vintage year just over.

TV Radio

Indicates programme in black and white. **BBC 1** 6.40-7.55 am. Open University (UHF only). 10.15 Grandstand. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Camberwell Green. 3.45 Ar Y Brig. 4.18 Regional News for England (except London). 4.20 Play School (BBC2 1.00 a.m.). 4.45 Clever Girl. 5.05 Play Away. 5.15 Pink Panther. 5.35 Barbapapa. 5.40 News. 5.55 Nationwide (London and South-East only). 6.20 Nationwide from Wales. 6.45 The Osmonds (London and South-East only). 7.15 The Wonderful World of Disney. 8.00 David Essex. 8.30 Mastermind. 9.00 News. 9.25 Dave Allen At Large. 10.10 Robinson's Travels. 11.00 Tonight. 11.40 Weather/Regional News. All regions as BBC1, except at the following times: Wales 8.20 p.m. Finger-hobs. 8.55-9.20 Wales To-day. 6.45 Heddli. 7.15 Y Chwilytŷ. 7.45-8.20 Disney Time. 11.40 News and Weather for Wales. 11.50 p.m. Reporting Scotland. 8.45-9.15 as BBC1. London. 11.40 News and Weather for Scotland.

F.T. CROSSWORD PUZZLE No. 3,459



- 1 Who had to change for a ride on Jumbo? (6)
- 4 A bowler is commended for the racecourse (8)
- 10 The accepted time for a spread (8, 3)
- 11 The Saint of Chorea (5)
- 12 Eaten daily and used by the intelligent (4)
- 13 Quarrel with distinction (10)
- 14 Harangue goes on about proportion (7)
- 16 Club for a GP with a place in Bucks (8)
- 19 Keeps off crooked purchasers (8)
- 21 We have one short month to get it or a doorkeeper (7)
- 23 One of the top spots (10)
- 25 It may be sinister — it's crazy to round it (4)
- 27 A house where the haddie drops in (5)
- 28 Kings and Queens must come to this (3, 6)
- 29 MCMXXVII (4, 4)
- 30 Experts need it for health (6)
- 7 Tempered to — flute rough satyrs danced? (Milton) (5)
- 8 Cleaner, if coloured, may become ensign (6)
- 9 Peak of silence in Keats (8)
- 14 Is a small room among many just a mixture? (10)
- 17 Confidentially the French come with intelligence (5, 4)
- 18 An allowance about to disappear? This cannot be on the level (8)
- 20 It is a strain for a singer (7)
- 21 Inimitable valet (6)
- 22 Push student with spade (6)
- 24 "And threw warm — on Madeline's fair breast" (Keats) (5)
- 26 Fish channel (4)

BBC 2</

EUROPEAN NEWS

Bonn may seek Callaghan reassurance over Europe

BY ADRIAN DICKS

BONN, Sept. 5

MR. JAMES Callaghan's visit to Bonn this week, long scheduled as part of the U.K. Prime Minister's regular series of meetings with Chancellor Helmut Schmidt, is likely to be used by the West Germans as an occasion to clarify what public opinion here has perceived as disturbing evidence of British ambivalence towards Europe.

Attempts to form new Dutch coalition

By Michael Van Os

AMSTERDAM, Sept. 5

QUEEN Juliana has appointed two mediators to pave the way for a new left-of-centre Dutch coalition, which has so far taken over three months to establish.

Owen in talks on Spanish EEC entry bid

BY DIANA SMITH

MADRID, Sept. 5

DR. DAVID OWEN, the British Foreign Secretary, who insisted on his arrival at Madrid airport this morning that Gibraltar would not dominate his talks with the Spanish Government, began a long working session this afternoon with Sr. Marcelino Oreja, the Spanish Foreign Minister.

Its 30,000 inhabitants, she is prepared to seek a compromise with Britain and respect the special interests of the Gibraltarians.

To-morrow Dr. Owen will pay courtesy calls on King Juan Carlos and Prime Minister Adolfo Suarez. On his return at the week-end from a tour of The Hague, Copenhagen, Paris and Rome in search of backing for Spain's European aspirations, Sr. Oreja is expected to put an end to disputes among leading members of the ruling Union of the Democratic Centre (UCD) which had broken out during his absence.

cup, rather than a serious threat to Government stability.

Meanwhile the authorities have scored a success in two potentially-awkward long-running conflicts. After mediation at the week-end in the dispute between management and labour in the shoe industry, which led to a fortnight's strike that lost Spain millions of dollars in export revenue, the Ministry of Labour persuaded workers to return to their jobs to-day, and advised management to grant a 30 per cent wage increase, a month's annual paid holiday, and equal pay for men and women.

Socialist Workers' Party (PSOE) went to the place of Mon for talks. At a news conference earlier this evening Sr. Gonzalez voiced some scepticism at persistent rumours of a Government crisis.

"The Prime Minister," said, "will bring me up-to-date on the current situation in any fortnight's absence." Gonzalez has been touring America representing both party and the Socialist International.

Third German terrorism victim

BY ADRIAN DICKS

BONN, Sept. 5

DR. HANNS Martin Sobleyer, the president of the West German Employers' Association, whose wife was still unharmed after an attack on his car in Cologne to-night, was the third prominent victim of a West German terrorist attack so far this year, and the second picked apparently deliberately from the top ranks of the private sector.

All three incidents provoked a storm of political and public protest, to which the new outrage will add further fuel, whatever its outcome. The police have named suspects in all three cases, and intensive searches have been carried out several times this summer on the basis of information received from the public.

French petrol tax to rise

BY DAVID CURRY

PARIS, Sept. 5

MOTORISTS will bear the brunt of the extra taxation to be introduced in the next year to cut its budget deficit to below Frs.10bn. from the Frs.19bn. or so it would otherwise reach, so the same time, modest tax concessions, primarily to the elderly and low paid, are envisaged.

Turkey-IMF loan talks

BY METIN MUNIR

ANKARA, Sept. 5

TURKEY, WHICH is suffering from an acute disequilibrium in its balance of payments and shortage of foreign currency reserves, to-day opened negotiations here with the International Monetary Fund for a possible stand-by loan.

New Greek party formed

By Our Own Correspondent

ATHENS, Sept. 5

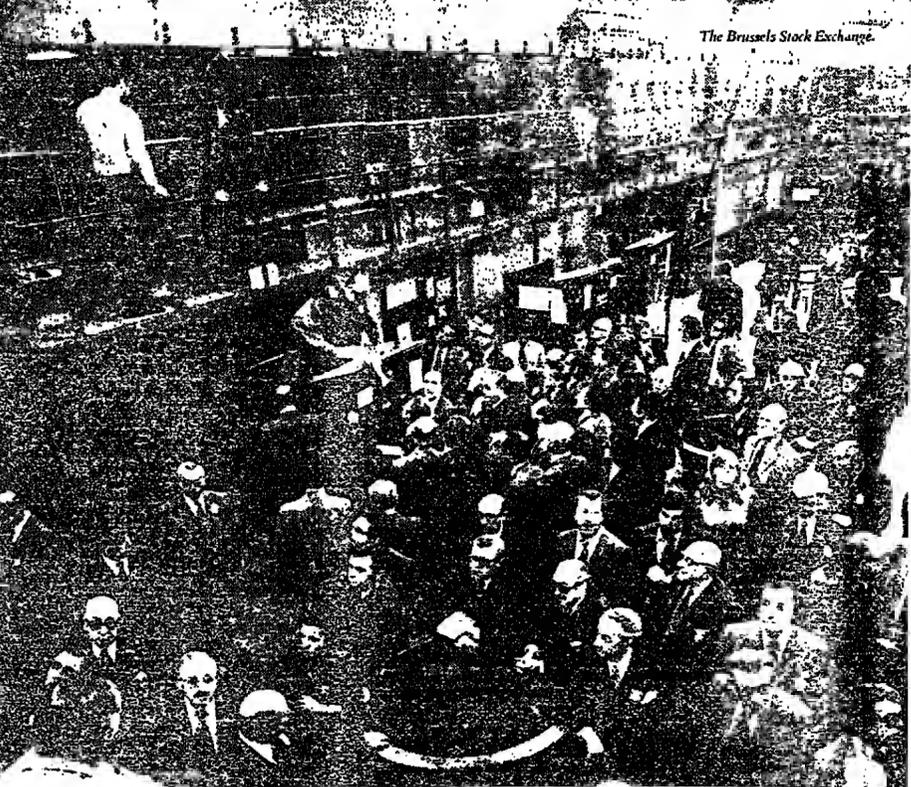
MR. CONSTANTINE Mitsotakis, a former Greek Finance Minister, to-day announced the founding of a new political party, to be known as the "Neoliberal Party".

Left worries Italy Communists

BY PAUL BETTS

ROME, Sept. 5

THE ITALIAN Communist Party, which for the first time in 30 years is now part of the government process, is increasingly alarmed at the growing schism between the official party and young, extreme left-wing independent factions, the *Autonomia*.



The Brussels Stock Exchange.

POLISH POLITICS

Trying to involve the people

BY CHRISTOPHER BOBINSKI IN WARSAW.

JUST AS Mr. Edward Giersek, the party leader, needed a fair slice of luck, on top of political skill to steer Poland through the coming months, the weather has dealt him a cruel blow.



Edward Giersek... in need of luck.

When the administration is to blame shortcomings on something which it has to avoid doing since last year's food price strikes and shortages.

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Advertisement for Banque Bruxelles Lambert, featuring a large logo and text about international services.

CANBERRA NEWS

Canberra signals intention to defend Australian dollar

BY KENNETH RANDALL
CANBERRA, Sept. 5

AUSTRALIA HAS now signalled clearly to international money managers and speculators that it is prepared to mount a major defence of the Australian dollar. But how convincing the signals look from a distance is yet to be proved.

The simulated float of the Australian dollar has sprung back to life with four adjustments of the exchange rate in the past few weeks, after a period of eight months during which there was no change despite major fluctuations of the U.S. dollar and the yen.

The latest round of adjustments appear to have no more significance than to indicate that the mechanism is back in action. The last two, for example, cancelled each other out on successive days. The Government has made no comment and has been holding an explanatory session from the committee now charged with exchange rate management — Mr. Harold Knight, Governor of the Reserve Bank, Sir Frederick Wheeler, Secretary of the Treasury, and Mr. Alan Carmody, Secretary of the Prime Minister's Department.

THE URANIUM DEBATE

Fission in anti-nuclear lobby

BY OUR CANBERRA CORRESPONDENT

MORE THAN 200 anti-uranium demonstrators clashed violently with police on the Sydney docks last night while a freighter, the Kangaroo, was loading uranium oxide for Britain.

Queensland police have decided to ban all but traditional street marches — not mentioning uranium, but clearly in anticipation of a growing and potentially violent campaign.

In the past week, both the Prime Minister, Mr. Malcolm Fraser, and the opposition leader, Mr. Whitlam, have made special appearances on national radio and television to argue for and against development of an Australian uranium industry.

Newspapers and commercial television programmes are preoccupied with the uranium producers' forum, backing the Government's go-ahead policy for the industry. Their opponents are organising public meetings around the country by the score.

The great debate was supposed to precede the basic policy decisions but it failed to get off the ground for lack of focus. Now it is in full swing, focus adjusted by Mr. Fraser, but apparently with nowhere to go.

The great unknown until next week is the attitude of the trade union movement: it is split almost evenly; it has launched itself on a different course from the Labor Party; and its leader, Mr. Bob Hawke, suffers of uranium what he has called a "cold war" between the Government and the public.

As national president of the Labor Party, Mr. Hawke had to admit that he did not agree with the policy adopted in July for a moratorium of at least two years on any development of uranium. Nevertheless, he said, he would abide by the policy in the letter.

Next week, as national president of the Australian Council of Trade Unions, Mr. Hawke will ask the biennial ACTU Congress to endorse a policy for a blanket ban on uranium development unless the Government agrees to a national referendum.

Nobody is predicting the outcome of the congress with any confidence. Some of the unions which would be directly involved

New S. African opposition party formed

The realignment of white opposition political parties in South Africa was formally completed yesterday with the formation of the Progressive Federal Party, from the union of the former Progressive Reform Party and six members of the former United Party. Quintin Peet, writes from Johannesburg.

The new party will be committed to the principle of full South African citizenship for all races, and to a "non-racial" approach to race relations.

Mr. Colin Eskin, its leader, said:

"The move means that what has been an attempt to unite the white opposition in the country has in fact further divided it. The core of the former UP, as the New Republic Party, remains the official opposition with 23 seats in Parliament. The Progressive Federal Party will have 18, and the smallest party is the South African Party, consisting of six former UP members who broke off on the Right-wing. The ruling National Party has 122 seats in the 171-seat Parliament, and a by-election is pending in one opposition seat."

Rhodesia oil ban call

Zimbabwe President Kenneth Kaunda yesterday called for the West and the world's major oil producers to impose a total ban on oil supplies in Rhodesia. Reuters reports from Lusaka.

He said the latest Anglo-American peace plan for Rhodesia would cut off oil supplies to the Smith regime were frozen.

The Zimbabwe leader, who has declared a state of emergency in four cities ostensibly because of the war situation, with Rhodesia, said he supported the seven basic points of Western peace plans outlined in a British White Paper published last week. But it included the "unacceptable" premise of South African troops remaining in Rhodesia.



Somalis claim capture of Jijiga

BY JAMES BUXTON

THE WESTERN Somali Liberation Front claimed yesterday it had captured Jijiga, one of the three strategic towns at the northern end of the Ogaden region where a war is raging with Ethiopian troops and militia. But Mr. Abdullahi Hussein Mahmood, secretary of the WSLF, who made the announcement, said that fighting was still going on in the area around the town.

The capture of Jijiga, an important tank base for the Ethiopian army, would represent a considerable victory for the Somali Liberation Front in the region. But military observers believe that until the Somali forces capture the airstrip at Dire Dawa, which effectively gives Ethiopia command of the air, they will not be able to hold the town.

Ethiopia, meanwhile, has been claiming substantial victories in the Jijiga area. It said on Friday that a major Somali drive to capture Jijiga had been repulsed with heavy losses and that Somali forces were "in retreat." It said that Ethiopia had launched a successful counter attack against the retreating Somalis, and claimed to have shot down five Somali MIG aircraft last night.

Speaking to the Financial Times on Sunday Mr. Abdullahi said the first time he checked the limits of the WSLF's claim on Ethiopian territory, he said that the front claimed to have captured the town of Jijiga and the area around it. He said that the front had also captured the town of Dire Dawa and the area around it.

Mr. Fraser said Mr. Anthony would welcome the chance to fight an early election on the law and order issue if confronted by the trade unions, especially with uranium as the focal point. The prospect does not appeal to the Labor Party.

If the question of an early election arises, Mr. Fraser said, the Government is talking in terms of it being fully a year away — its resolution will be once again with the Governor-General, Sir John Kerr, who dismissed the Whitlam Government in 1975.

His view, clearly in record, is that political expediency is no reason for dissolving Parliament significantly ahead of time. If it is still functioning effectively, that is, if there is no deadlock between Houses and the Government retains a working majority.

There are precedents, however, supporting the opposite view and Sir John retired in December. The decisive moment for uranium may be several months after that.

Arab League agrees on Israel protest

BY MICHAEL TINGAY

FOREIGN Ministers of the Arab League agreed today on a formula for protest at the United Nations General Assembly against the establishment of Israeli settlements in occupied territories.

Also, having listened to an address by the Somali delegation, the Ministers made an indirect attack on Soviet support for Ethiopia by calling on foreign countries to abstain from interfering in the life of Africa.

Arab states are now hoping that the General Assembly, which will meet in New York on September 20, will pass a resolution expressing strong condemnation of Israeli settlements in occupied territories.

Meanwhile, the Palestine Liberation Organisation tonight presented a formal note to the meeting stating that it had received threats from Israel, conveyed through the U.S. embassy in Beirut, calling for the withdrawal of Palestinian forces from parts of Southern Lebanon.

Earlier in the second day of the session, the foreign ministers took a surprisingly mild line on Ethiopia, after the Somali statement about the war in Ogaden between Ethiopia and the Western Somali Liberation Front. This might have been in deference to the wishes of the League's newest member, Djibouti.

Bhutto bail hearing date

BY SIMON HENDERSON

ISLAMABAD, Sept. 5. THE BAIL application of Mr. Zulfiqar Ali Bhutto, the former Prime Minister of Pakistan, is to come up for hearing in the Lahore High Court on September 10.

Mr. Bhutto, who was arrested three days ago in connection with a murder case, originally applied for bail yesterday but the judge postponed why the application was being made in the High Court rather than a lower court.

U.S. expects slowdown in Comecon trade with West

BY DAVID LASCELLES

COMMODITY shortages and a growing internal demand for all of their strength in both industrial and primary goods. But factors that will limit Comecon's ability to export to the hard currency area in the coming years, a report released by the Joint Economic Committee of the U.S. Congress states. The indication is that East-West trade will slow because of Comecon's need to limit its debts to the West.

The report, by Allen J. Lenz and Hedija H. Kravalis of the Bureau of East-West Trade, analyses a wide spectrum of potential Comecon exports — energy, raw materials, scrap-processed and manufactured goods — among Comecon's seven European members. It concludes that although some countries and sectors are stronger than others, Comecon's overall export potential for hard currency leaves much to be desired.

Although fuels, minerals, raw materials and food are sought by the West, Comecon's strong and

Israel's U.S. exports up sharply

BY L. DANIEL

TEL AVIV, Sept. 5. ISRAELI exports to the U.S. this year are likely, for the first time, to exceed the \$500m. mark, and they are rising much faster than imports from the U.S.

Israeli sales to the North American market came to \$440m in 1976 and this year's figure is seen at \$550m, judging by performance in the first half of the year.

This would represent a 25 per cent rise, as against an increase of 5.8 per cent only in Israeli purchases from the U.S., which are seen at \$940m, against \$890m in 1976.

American agricultural products accounted for 30 per cent of the American deliveries worth \$470m in January to June, 1976. Other major items were U.S. machinery, metals and metal products, chemicals, advertising instruments and optical equipment.

Israel and Romania are continuing to strengthen their bilateral relations. The directors-general of the Israeli Ministry of Commerce, Industry and Labour is to meet with his Romanian counterpart in the near future, and the Minister of Commerce, Industry and Tourism is due to visit Bucharest in November.

Among the subjects currently under consideration is the establishment of additional joint enterprises in Romania for which Israel would supply the know-how and machinery.

U.K.-Finnish trade boost

BY LANCE KEYWORTH

HELSINKI, Sept. 5. BRITISH EXPORTS to Finland in the first half of the current year rose to £17.2m, compared with £13.6m in January-June 1976. In overall trade, Britain comfortably retains its fourth place among Finland's trading partners, after the Soviet Union, Sweden and West Germany.

The first quarter figures for Finnish imports of manufactured goods not only show an increase in the value of purchases from the U.K. but a rising trend in the British share of the Finnish market in this sector (11.5 per cent in 1977 against 10 per cent in 1976).

But satisfactory as this trend is, the imbalance in trade between the two countries remains. In the first five months of 1977 it was £38m, compared with £24m, a year earlier. The gap for all of 1976 was £17m.

Canada in Jordan project

BY RAMI G. KHOURI

AMMAN, Sept. 5. CANADIAN banks are expected to play the leading role in financing the projected \$250m inland sports complex at the southern tip of the Gulf of Aqaba. The Jordanian Tourism Minister, Mr. Ishak Barakat, said that talks have already been held in earnest with the Canadian Export Development Corporation, which would coordinate investment for the scheme from Canadian private banks.

SOUTH AFRICAN WINE

Exports to the EEC in trouble

BY JOHN STEWART IN CAPE TOWN

NOT since 1961 when the Gladstone Government revoked preferential duties on Constantia wines from the Cape have South African wine exporters to Britain been in a less favourable position.

An annual export trade of about 2m. gallons to Britain and Europe, worth R4m-R5m, is in jeopardy unless South Africa can negotiate more favourable treatment than it has been accorded until now.

For reasons known only to the EEC Commission, South Africa has failed to obtain compensatory treatment which, rightly or wrongly, it firmly believed would be forthcoming following the loss of imperial preference when Britain went into Europe in 1973.

On the strength of what seemed like reasonable assurances at the time, South Africa in 1972 adopted a system of delimitation of wines of origin (WO) in order to comply with the strict rules of the EEC's wine code in respect of third country imports.

It was led to believe that in order to gain exemption from EEC's system of reference prices (designated to protect European wines from competitive pricing systems of third nations) it would have to adopt a recognised designation of origin control system.

However, despite unofficial acknowledgements of the acceptability of the WO system, and despite patient attempts by trade officials to establish when EEC would deliver its end of the bargain, no concessions have been won. By now, and after five years, it must be dawning on South Africa that the scheme may have no intention of delivering the goods.

This is particularly unfortunate because South Africa, having perhaps not applied to GATT for compensatory treatment as a *quid pro quo* for the loss of U.K. preference in 1973, Wine exporters have not only been stripped of imperial preference, they now find themselves in a clear disadvantage to their three major competitors in EEC markets, Spain, Portugal and Cyprus, which receive distinct preferential treatment in the spirit of their third country status.

Wine exports to Britain are predominantly sherry and port types (about 113m. worth in 1976), the handling, storage and distribution of which has required fixed investment of about R15m. In the U.K., while about R15m. has been invested in production facilities, dismantling of barriers against European producers of fortified wines will clearly hit where it hurts most.

There are several examples of this. Because South Africa has failed to obtain official recognition of its WO system in Europe a number of negative influences are at work.

For a start, the EEC's so-called Green Rate of currency exchange applies to the wines, whereas the products of Portugal and Spain are treated under the old IMF rates of exchange, which gives them an advantage of more than 30 per cent.

Moreover, 80 per cent of the contractual preference of about 2m. cwt. has been run down since January 1, 1973, and the last cut will be made in January next year. At the same time, however, Spain and Portugal are reduced with a customs duty quota of sherry and port.

The whole package of adverse trading influences for South Africa and increasingly favourable conditions for Spain, Portugal and Cyprus may, at a rough guess, place the products at a total disadvantage of more than R1m. a year on a volume of about 2m. gallons.

In order to hit back, exporters would have to lower U.K. selling prices 30-40 per cent, but this would involve huge losses. Failure to match prices of European producers of fortified wines will, almost certainly mean that sales volumes are going to suffer heavily in the years ahead, possibly by as much as 1m. gallons a year.

After five years of patient negotiation, South Africa seems to have exhausted most of the options and alternatives available within the framework of GATT. It is suggested that the key to preferential treatment being accorded to South African wines is formal recognition by the EEC Commission of the WO

Venezuela in \$52m. deal with Spain

PRESIDENT Carlos Andres Perez of Venezuela has announced that the Spanish automotive firm Pegaso (Pegasus) will build a \$52.5m. motor plant in Eastern Venezuela. The Pegaso facility will be able to produce 8,000 diesel and 2,000 heavy motors per year and employ nearly 2,000 persons, reports Joseph Mann from Caracas.

The plant is part of \$240m. industrial scheme for the Venezuelan State of Sucre.

\$18m. Pakistan plant

ROMANIA will supply Pakistan with cement plant machinery worth \$18m. government officials said, reports AP-DJ from Islamabad.

The equipment will provide daily production capacity of 1,000 tons of cement and will be supplied within 22 months. It is to be financed under a \$55m. in year credit extended to Romania in 1973. An agreement with Romania for an electrical complex near Islamabad, is expected to be completed soon.

Iraq buys buses

DAIMLER Benz AG has won a contract from Iraq for 400 mini-buses from its Düsseldorf plant this year, a company spokesman said in Stuttgart.

He declined however to give price details. Iraq's state import company Automobil, State Enterprise has built up Daimler's help in large quantities and departs from Baghdad for Daimler vehicles he added.

Ghana venture

TAYLOR Woudrow group's international division and Soc Security Bank of Ghana have formed a Ghanaian joint company, Taysec Construction, in Accra, the company will take all types of building a civil engineering contracts, DJ reports from London.

Qatar spends \$138m

QATAR HAS awarded Swedish construction firm S Byggen a \$138m. contract for the construction of housing up to the Persian Gulf Emirate, Middle East Economic Survey says, AP-DJ reports from Nicosia. Siab will be responsible for establishment of production facilities for concrete components and will be joined by another Swedish firm which will supply the necessary machinery.

Saudi petrochemical

THE San Francisco-based Bedouin Chemicals has been appointed by Saudi Arabia to carry out preliminary engineering studies and development estimates for a joint venture petrochemical plant in Saudi Arabia's Ya Industrial Center, the Middle East Economic Survey (MES) said, AP-DJ reports from Nicosia.

The complex is to be built by the U.S. Mobil Company and Saudi Basic Industries Corp. It will be based on ethane-fed ethylene plant will process the ethylene into densified polyethylene, ethylene glycol and styrene monomer.

Machinery orders

MACHINERY orders received Japanese manufacturers in total for 1976-77, valued at \$30,862m, down 1.5 per cent from \$32,348m. June and down 0.7 per cent from \$30,717m. in the 8 months a year earlier, the Ja Society of Industrial Machinery Manufacturers said, AP reports from Tokyo.

Japan car fall

JAPAN'S new vehicle registrations in August totalled 368,000 units, down 4.4 per cent from 387,000 in the like month a year earlier and down 38.4 per cent from 345,401 units in Japan Society of Automobile Dealers' announced, AP reports from Tokyo.

HOME NEWS

J.K. may challenge rulings on offshore oil boundary

RAY DAFTER, ENERGY CORRESPONDENT
GOVERNMENT may challenge the international ruling on the offshore oil boundary between the U.K. and France...

Healey renews 10% sanctions threat

BY PHILIP RAWSTORNE
MR. DENIS HEALEY, Chancellor of the Exchequer, strongly re-affirmed the Government's intention...

Laker complains about forcing Skytrain to fly from Stansted

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT
CONCERN ABOUT the increasing competition facing his low-fare Skytrain plan for flights between London and New York...

Higher spending urged to meet 'crisis' in building industry

PHILIP RAWSTORNE
The National Executive Board of the Building Industry has urged the Government to increase public spending on the building industry...

Fogarty takes over

PROFESSOR Michael Fogarty is to take over as director of the Centre for Studies in Social Policy from the end of this month...

Peachey appoints new chief

BY JOHN BRENNAN, PROPERTY CORRESPONDENT
MR. JOHN BROWN, former managing director of Arden Properties, is to become managing director of Peachey Property Corporation...

We'll show you Italy the business way. Alitalia's services: more flights to more Italian destinations. Alitalia's organisation: more offices in Italy to help you once you are there.

£1-a-brick for Labour's new £2m. HQ. THE LABOUR PARTY is to launch a £2m. pound-a-brick appeal on September 27 to develop its new headquarters site in Southwark, London.



A Hertz No.1 man gets away from the crowds. Fast. When you rent a Hertz car you're a No. 1 man instantly. We don't keep you waiting. You want a car? You get it... fast! An economical Ford Fiesta, the new Cortina, Granada or another fine car...

KJOENHAVNS HANDELSBANK (COPENHAGEN HANDELSBANK A/S) COPENHAGEN. Our bank's ordinary operations in the first half of 1977 resulted in a profit of Kr. 164 million, or Kr. 11 million less than for the first half of 1976.

Hopes dashed. On finance raised from the Italian National Bank, whose board included Mr. James Callaghan in one of his 'out-of-office' directorships, LPP acquired a site in Walworth Road, Southwark in 1973.

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HOME NEWS

'Don't ignore human reliability,' say scientists

BY DAVID FISHLOCK AND PETER CARTWRIGHT

TOO LITTLE attention was being paid to human reliability in the design of potentially hazardous systems...

way in which investigators chose to classify events, rather than the way in which pilots flew their aircraft...

Factors which played the biggest part in causing accidents were carelessness, lack of concentration, misjudgment and inexperience...

Mirror images

In one case, two control panels had been installed which were mirror images so that when operators moved from one to the other...

It was far more instructive to interpret a failure as a weakness in system design than as an error in human performance...

Resistance The proposed merger of Volvo and Saab—now abandoned—was forced upon the companies because of lack of styling...

The researchers, who are trying to measure human reliability in industrial situations, stressed that there could be no question of eliminating man from such systems.

Women drivers were less attentive than men, more likely to be distracted on the road and to overlook hazards...

Mr. Purkis was dealing with some of the problems that had to be solved to make the Rover 3500 the 1976 Car of the Year.

The British Association meeting at Birmingham

Brown of the Medical Research Council's Applied Psychology Unit in Cambridge. But it did not mean that women who had accidents were more at fault than men...

Men drivers tended to make their mistakes because of drinking, driving more, speeding, and taking more risks.

Mr. Pejer Chapman, director of the Energy Research group of the Open University, advocated the growth of combined heat and power (CHP) which makes use of a large part of the waste heat produced in generating electricity.

Lowering the sights a peg or two

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

ARMY and Navy Stores opened its doors in Victoria Street, London, yesterday after four years of hibernating in near-by Howick Place.

Most of the 100 departments were moved back at the week-end and the new 147,000 square feet store unofficially started trading yesterday on the site which it occupied for almost 100 years until the developers moved in in 1973.

The store is very different from the Victorian establishment which helped gentlemen the world over feel like gentlemen.

It presents an exterior of cream marble and bronze glass instead of the old red brick facade. Inside, brown and cream are repeated in various shades...

alterations to the Howick Place building will be completed. The store received a 10 royalty from the Government for each 10 foot bridge and the store will trade on both sides of Howick Place again as the words of the advance publicity — London's most dazzling new store.

One wonders how the officers who started the business as a co-operative in 1971 would have felt about it all.

For a start they would not have tolerated the advertising which will launch the new store.

Tin hat Advertising, as one might have expected from a store owned by officers rather than traders, was banned under the articles of membership. In the 1920s, when the store was already suffering from the decline of the Empire, it had to resort to technical inventions to get business—such as the launch of the first electric blanket.

of course, had more to do with patriotism than trade, though the store received a 10 royalty from the Government for each helmet.

The store clung to its original principle until 1948 when the exodus of military and government officials from India meant it was no longer viable.

The country house trade had already declined and the store, though still frequented by members of the near-by House of Lords, had to face the new world of commercial reality.

The once thriving stores in India were shut, the last in 1962. The next year the company bought Harvey's of Guildford. This was followed by the purchase of a number of other provincial stores. In 1980 the management started exploring the idea of redeveloping the Victoria Street site—the site which eventually made it such an attractive subject for a takeover.

part of House of Fraser. The Army and Navy property went to Amalgamated Property, a company half-owned by Amalgamated Investments and Property and half, by International Caledonian Investments, under the chairmanship of Sir Hugh Fraser, the chairman of both House of Fraser and SUITS.

The store will trade on floors and will try to give a younger image than associated with dignified Army and Navy business.

A number of departments women's fashions and the hall, have been expanded new departments such as "Auditorium" have been added.

Research has shown the store's busiest time will be lunch hour, when office workers will come in for what will be very leisurely shopping. Army and Navy will sell "medium priced" merchandise. This reflects its change and perhaps the changing circumstances of its new customers. It will in Harrods, a sister of House of Fraser, to sell goods.

Code takes new line on competitions

BY OUR MARKETING EDITOR

A REVISED edition of the British Code of Sales Promotion Practice, published yesterday, stipulates that where a panel of judges is set up to judge competitions open to the public, they should contain at least one member independent of the promoters or their agents.

The Code also takes a new line on children taking part in sales promotion competitions where prizes such as holidays, live pets, cash or goods worth £50 or more may cause friction between them and their parents.

"Such prizes can only be offered in competitions for children when the rules require parents to give written permission for their children to enter," the new ruling by the Advertising Standards Authority says.

The Code also covers situations where customers buy particular products and are offered extra goods at a lower cost, such as "towels worth £5," "toys worth £3.50."

Promoters must be able to substantiate these worth-and-value claims—usually by showing that identical goods or directly comparable goods are available at the higher price from representative outlets.

"Thus the higher prices should be typically available in the locality which the particular promotion serves."

The Code directs that offers should not be described as "free" if there is any cost to the consumer, other than the cost of delivery.

A task force of sales promotion watchers has been set up by the authority to safeguard consumers.

Mr. Ian Lyon, the authority's deputy director, said yesterday: "We shall be monitoring schemes and promotions every month to safeguard housewives and other consumers throughout the country."

International's 'Plain' project extended

By Our Consumer Affairs Correspondent

SALES OF the "Plain and Simple" grocery products launched by International Stores in July have more than doubled, the company said yesterday. As a result the price freeze on these lines will be extended for three months to the end of January.

The idea is to present the 30 "Plain and Simple" products as basic goods which represent the best value for money.

The products replaced International's own brand lines, International, which is a subsidiary of BAT Industries had said it would hold the prices stable until the end of October.

Third gold for company

A SMALL Glasgow manufacturer of wire-mesh filtration equipment has become the first West of Scotland firm to win its third Gold Award from the International Export Association.

Begg Cousland and Co., which employs nearly 400, sold equipment totalling more than £1m. to 62 countries last year. The company's exports comprise 48 per cent of production.

Plutonium from ci plant 'used in blas'

BY IAN BREACH

PLUTONIUM RECOVERED from civil nuclear power reactors in the U.S. has been used in an explosive device built by the American military, according to Prof. Albert Wobstetter, professor of Political Science at Chicago University.

He told the Windscale public inquiry yesterday the device was in the 1-20 kiloton range. Details of the explosive were still classified, but he was able to say an explosion had taken place.

Prof. Wobstetter, who is a consultant to the U.S. Nuclear Regulatory Commission, appeared on behalf of Friends of the Earth. He told the inquiry he had spent 25 years studying the military and political implications of nuclear power. He belated extraction of uranium and plutonium from the proposed reprocessing plant at Windscale might lead to the spread of nuclear weapons.

Until last year it had been argued that the type of plutonium produced in civil power plants was not suitable for use as weapons-grade material. Last year, however, it had been revealed in the U.S. that reactor-grade plutonium was militarily useful, he said.

Since then representatives of the nuclear industry had contended that though it was a technical possibility no one tried it. They argued that tries equipped with civil nuclear reactors could not be "genuine forces" in the military sense. Now that this has been to be a spurious belief of separated plutonium "unrecoverable stock nuclear material" can be acquired by former weapons States.

Prof. Wobstetter called British Government to down BNFL's application to construct a reprocessing plant.

Howell to o Kickabout a

MR. DENIS HOWELL, K for Sport, will officially open Tartan Kickabout at Stockton on Tees and M brought on Monday, Sep 19.

Mr. Howell has long pained for purpose-built areas in highly-populated areas in highly-populated areas. Those he will visit are the be laid in this country. I the nuclear industry had contended that though it was a surface.



These highly respectable people are secret bleepers.

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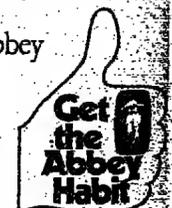
The latest issue of 2-year and 3-year Bondshares pay respectively 7.20% and 7.70% annually. (The equivalent of 10.91% and 11.67% when income tax is paid at the basic rate of 34%.)

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Midland Bank International  Delivers.

TUC '77 Blackpool

Congress Report by Christian Tyler Alan Pike Pauline Clark and Nick Garnett Pictures by Terry Kirk

Second vote ends TGWU confusion

THE MIGHTY fell amid astonishing scenes on the opening day of Congress yesterday, and for about an hour Britain's largest union was suspended from the TUC because of a minor dispute over a public house without beer.

Delegates in Blackpool voted in favour of a motion from the 13,329-member National Association of Licensed House Managers to suspend the 1.9m-strong Transport and General Workers Union from TUC membership for failing to implement a disputes committee award at the Fox and Goose, a suburban pub in Birmingham.

Although the disputes committee found in favour of the managers' association, which represents the Fox and Goose manager, transport workers draymen are continuing to block the public house.

It has been without supplies since the committee's award 14 months ago.

Poached Mr. Harry Shindler, the association's general secretary, was enthusiastically received when he warned that Congress must belong "not to the big battalions, but to all members."

He referred to "Mafia-like actions," claiming that 100 of his members had been poached by the transport workers union.

Then he declared: "There are no two standards of conduct, one for the big organisations and one for the small. If you vote against this motion, you are voting against the rules of Congress."

Mid noisy support for Mr. Shindler, Mr. Moss Evans, general secretary-elect of the transport workers, went to the rostrum to reply.

His opening remarks appeared to misjudge the mood of Congress, and when he expressed surprise that the licensed house managers had raised the Fox and Goose issue in view of some of the serious items on this week's agenda, delegates left him in no doubt that they regarded the implementation of disputes committee awards as serious.

Mr. Evans told Congress that a number of days had been spent trying to meet the requirements of the award.

However, his members felt strongly that the problem at the Fox and Goose was with the employer, and he was not a sergeant-major who could crack the whip and force them to accept the findings.

Obligation However, the view of many delegates afterwards was that Mr. Evans had, in effect, adopted a sergeant-major role in much of his speech.

Before the vote was taken, Mr. Len Murray, TUC general secretary, stressed that the transport workers had a clear obligation to implement the award.

He believed Mr. Evans had done everything in his power to achieve this.

Despite vocal support for the licensed house managers during the debate, there were gasps of surprise when, on a card vote, the move to suspend the union until it implemented the award was carried by a 133,000 majority.

Members of the transport workers' delegation, more than 80-strong, stood uncertainly in their seats and uproar in the hall, and several senior union leaders tried to intervene.

After a few noisy minutes Mrs. Marie Patterson, TUC presi-

dent and herself a TGWU official, suspended conference for the General Council to meet.

The union's salvation was provided by Mr. Hugh Scanlon, leader of its biggest industrial rival, the Amalgamated Union of Engineering Workers. Mr. Scanlon—who, it was discovered after a High Court action, does not have a casting vote on his own national committee—explained that his delegation's vote had been mistak-

ed and he had voted in favour of the TGWU.

On this basis—although amid many protests—the Congress general purposes committee declared the vote which suspended the transport workers miscast, and proposed to the resumed meeting that it should be taken again.

Other businesses will continue to be affected by the suspension of the Transport and General Workers Union.

TO-DAY'S business will open with the debate on Gruzwick, which was postponed yesterday as a result of the dispute over the suspension of the Transport and General Workers Union.

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Jack Jones in discussion with Alex Kilbom (centre) and Moss Evans (right).

Postal strike action backed

POST OFFICE union leaders have won the backing of TUC delegates in their efforts to achieve a change in the law which would give Post Office workers the right to strike.

The delegates approved a motion calling on the TUC general council to press the Government to amend the Post Office Act, 1953, and the Telegraph Act, 1963.

Proposing the motion, Mr. Norman Stagg, deputy general secretary of the Union of Post Office Workers, said that the Labour Government was committed to amending the Acts, but the Post Office unions feared that its efforts on their behalf could be seriously hampered by opposition in some sections of Parliament.

The present position which makes it a criminal offence for Post Office workers to withdraw their labour, however, remained "intolerably unfair," Mr. Stagg said.

He pointed out that when Post Office workers had taken industrial action under the last Conservative Government no one had attempted to haul the unions through the courts.

The UPW and the Post Office engineers' union feared the suspension of the use of the Acts by the National Association for Freedom aimed at preventing industrial action by postmen against Gruzwick in November last year, and against a proposed boycott of South African mail earlier this year.

Stagg said that the unions are now risk being taken to court on any occasion calling for industrial action by Post Office workers.

Pub 'dry' for two years

THE Fox and Goose, a mock-Tudor public house in Birmingham's Washwood Heath district, has been "dry" for more than two years.

Bleking action, started by Transport and General Workers Union draymen in July, 1975, had reduced trade dramatically at a once thriving tavern.

Customers in the 50-seat steak bar, where only soft drinks are available, have dwindled to a handful. The pub was built in the 1930s by Ansell during its expansion programme.

Two years ago, there were arguments between the draymen and the manager, Mr. Tony Collinson. Ansell eventually suspended Mr. Collinson on full pay and brought in a relief manager.

The case was taken up by the National Association of Licensed House Managers. In August last year, following an investigation by the TUC disputes committee, Mr. Len Murray, TUC general secretary, urged the draymen to end the blocking. His call has been ignored.

Mr. Bill Clutton, the present manager of the pub with no pay and no benefits because he is a member of the licensed managers' union, draymen have refused to deliver to the Fox and Goose.

Plan to resolve P.O. participation dispute

PROPOSALS aimed at ending dissension over the allocation of seats to worker directors on the Post Office Board have been circulated to the unions involved.

They are particularly relevant to the Society of Civil and Public Servants, which is threatening to take part in the scheme, regarded by Government and unions as an example of industrial democracy throughout British industry.

The issue to be resolved is how the management unions in the Post Office are to be represented on the reconstituted Board, which will have seven seats for worker-directors.

The Union of Post Office Workers and the Engineering Union, representing 75 per cent of the Corporation's 400,000 employees, are claiming two seats each, the Civil and Public Servants Association claims one, leaving two for the five small management unions.

The Society has adopted a hard line on these claims, holding that it deserves a seat of its own. The proposals now circulating, which emanate from the UPW, point out that if the Society were to take a share in the two seats, management union seats, its 8,000 Post Office members would be better represented in numerical terms than the big unions would.

Bus workers' pay claim

REPRESENTATIVES of 700 maintenance men employed by the Greater Glasgow Passenger Transport Executive yesterday submitted a 20 per cent pay claim—and gave a warning that they would not rule out industrial action in support of it.

The men, maintenance workers, engineers, electricians and vehicle builders at nine bus garages, at present earn £50 a week.

As well as a £10 increase they are also seeking average earnings to be paid during holidays, the present three-week holiday to be increased to four weeks, a reduction in the work week from 40 hours to an as yet unspecified figure, and extension of free travel.

Mr. John Lyons, joint shop stewards' secretary, said that the management had already indicated that it would stick to the 10 per cent. Government guidelines but be said: "The men are fairly determined and we would not rule out industrial action."

New air strike move likely

NO MOVES emerged from either side in the strike of air traffic control assistants yesterday, and it was suggested that efforts might be made at this week's TUC conference in Blackpool to bring the Civil Aviation Authority and the Civil and Public Services Association together.

The strike is over higher pay for air traffic control assistants, which they claim was agreed some time ago for implementation when the Government's pay rules permitted.

Although Phase Two of the pay pause has ended, the Government wants new pay settlements in single percentage figures, and at not less than 12 months' intervals. The authority feels obliged to abide by the Government's rules.

The dispute, which has already involved one strike over the August Bank Holiday week-end, as well as a period of "working the situation is that only about 40 per cent of the time-table is in fact being cancelled."

The worst-hit areas are the U.K. domestic operations, where flights at all are being cancelled on the routes between London and Liverpool, Leeds-Bradford and Newcastle, and very few on the Manchester route.

The London to Glasgow and Edinburgh shuttles are running at two-hourly intervals, with no back-up aircraft.

The other cancellations are mainly on the short-haul international routes to the Continent. Long-haul flights are running close to normal, with not more than about four cancellations by British Airways a day.

Would-be passengers are advised to telephone 01-789 4848 for information on abort-haul European and domestic flights, and 01-789 2825 for long-haul intercontinental flights.

Gruzwick debate to-day

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Unions should set example over sex equality

SOCIAL AND economic justice cannot be achieved against a background of public spending cuts, rising prices, and increasing unemployment, Mrs. Marie Patterson, TUC President, said in her opening address to Congress yesterday.

If the movement's social policies were to be fulfilled, the "curse of unemployment" must be dispelled and the economy expanded.

"It is not enough that we have called for every school-leaver to have a full-time job or a training or further education place however well the Manpower Services Commission has responded to this call," she said.

"So long as unemployment is rising and many of the unemployed are and will be school-leavers we are, all of us, diminished."

Mrs. Patterson devoted much of her address to problems which continue to face women and girls in society. The education system must help eliminate barriers for girls by providing a common curriculum for both sexes.

"Girls have been shown on leaving school to be particularly ill-equipped for entry into many careers. The fault lies not only in their careers education, but in the failure to build a common curriculum for boys and girls throughout their school lives."

There is now considerable evidence of the extent to which girls are educationally disadvantaged and the TUC has been concerned to expose this inequality.

Mrs. Patterson reminded Congress that the better example set by the trade union movement the better would be the chances for women to find their rightful place in other walks of life.

Women made up more than a quarter of the TUC membership and they were under-represented particularly at the Congress and on the General Council.

The solution must be to increase participation within their unions. This was essential for two reasons—first, because women were the largest of low-paid workers in the country and secondly, because we are to tackle the social issues which the TUC quite properly seeks to represent to people and their families need the support and expertise of every body, women of all ages.

It should be possible, said, to include a TUC opportunities clause in all collective agreements.

"And I must stress, that so long as workers themselves to be all against workers for any reason, whether it be race, sex or marital status, then to the extent, is the struggle for training and improving the conditions of working, a weakened and undermined cause."

Gold award for work in union movement

MRS. MARIE PATTERSON, the president, presented awards for work in the trade union movement in Blackpool yesterday.

The men's gold badge went to Mr. Charles Kenchington, of Southampton, a member of the Transport and General Workers' Union. He has been a trade unionist for 50 years, 30 as a shop steward.

The women's gold badge was awarded to Mrs. Una Walton, of the Tobacco Workers. She has been a trade unionist for 33 years and a delegate to Nottingham Trades Council since 1966.

Mr. Roy Leeming, of Preston, a member of the Association of Professional, Executive, Clerical and Computer Staffs, received the youth award, made each year for work in the movement by a member under 26.

Support for 12-month rule

SIR MONTY FINNISTON, former chairman of British Steel, yesterday launched an attack on free collective bargaining and gave support to the 12-month rule.

Sir Monty, after opening an exhibition of East Kilbride industry to commemorate the new town's 20th birthday, said: "I want the 12-month rule to continue. Free collective bargaining is rarely free, seldom collective and never a bargain."

Membership exceeds 11.5m.

THE TUC has collected almost 500,000 new members in the last year—taking its total strength over 11.5m. for the first time.

Mr. Len Murray told Congress that membership of affiliated unions is now 11,515,920 compared with 11,036,328 in 1976. The increased total includes 69,000 in newly affiliated unions and an extra 400,000 members in previously affiliated ones.

OTHER LABOUR NEWS

Leyland craftsmen in pressure group

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

SHOP STEWARDS representing 14,000 craftsmen in Leyland Cars voted to form a group to press for improved pay and differentials for skilled workers.

The new group immediately invited the unofficial top-makers' committee to join forces in seeking recognition from management.

Stewards from 26 of the 34 Leyland plants attended the conference and agreed to set up a national committee to advance their aims. At least 10 trade unions are represented on the unofficial body.

Mr. Bill Fitzpatrick, a Longbridge senior steward and the conference spokesman, said the movement reflected the dissatisfaction of skilled men at the way their pay and status had declined in relation to production workers.

Craftsmen had been treated as second-class citizens for many years. Resentment was "brimming over" to such an extent that it was difficult to know whether the shop stewards or anyone else could contain it.

Mr. Fitzpatrick stressed that the craftsmen wanted to pursue their objectives by persuasion and negotiation and not jeopardise the jobs of colleagues.

"We have no intention of heaving a splinter group to smash Leyland into the ground," he said.

The proposed national committee, which will seek to attract representatives from each of the 34 plants, will meet next week to draw up a constitution and elect officers.

The committee will explore whether its aims could be achieved within the company's proposed package of industrial relations reforms.

The unofficial body is certain to meet with a rebuff from Leyland management, which is determined not to allow separate wage agreements for particular groups of workers.

Shop stewards, particularly those from the Amalgamated Union of Engineering Workers, could also run into opposition from national union executives.

Mr. Fitzpatrick was optimistic that the Leyland toolroom workers would join the craft grouping.

Rover and Swindon, the two biggest Leyland divisions which refused to join the month-long strike earlier this year, both attended yesterday's conference.

At Lucas, where the strike by 1,200 toolworkers has made 25,000 motor-industry employees idle, a group of women made renewed efforts to seek a breakthrough. About 60 women, demanding a return to work, demonstrated outside the King Street headquarters, in Birmingham and a delegation met management.

The return to work by strikers at the Jaguar engine plant, in Coventry, gathered pace yesterday. The 50-strong maintenance section which voted on Friday to call off action in pursuit of a £20-a-week wage claim was joined by about 100 other workers.

ASTMS report attacks industry

BY NICK GARNETT, Labour Staff

A RATE of inflation little more than 10 per cent next year, but relatively poor prospects for land and manufacturing, are the main predictions in the quarterly review of the Association of Scientific, Technical and Managerial Staffs.

A large part of the review is taken up by a severe general attack on industry which, the union says, has failed to utilise increasing profits for investment.

Mr. Clive Jenkins, the union's general secretary, also said at Blackpool that he believed the economic recession in Britain, and probably worldwide, would deepen.

The review argues that the inflation rate will probably be about 12.5 per cent by the end of this year and could be about 10.5 per cent by the end of 1978.

But it says that in spite of rising profits manufacturing investment is very low and long-term economic prospects poor.

The union envisages that manufacturing investment will rise by between 5 and 7 per cent this year.

Growth in the gross domestic product, which the union expects to work out at about 1 per cent through 1977, will be only slightly better next year.

Industrial output will nick up in tandem with consumer spending next year.

The review predicts a level of overall unemployment near 1.75m. by Christmas.

Mr. Jenkins said yesterday that billions of pounds worth of profits were "sloshing" around and by not ploughing the benefits into a "profits explosion" back into manufacturing, industrial leaders were acting like economic saboteurs.

Ministers defend award

A PAY increase of nearly 30 per cent given to Methodist ministers this month is being investigated by the Government.

The Rev. Derek Farrow, general secretary of the Methodist Church's education division, said that the Church had consulted taking place between the Church and the Department of Employment over the decision to award the increase, which appears to be contrary to the Government's recommended ceiling of 10 per cent.

The award increases the average weekly earnings of ministers from £37.77 to £51.50.

The Rev. Derek Farrow, general secretary of the Methodist Church's education division, said that the Church had consulted taking place between the Church and the Department of Employment over the decision to award the increase, which appears to be contrary to the Government's recommended ceiling of 10 per cent.

PULLMAN INC. FIRST SIX MONTHS RESULTS Pullman Incorporated—For the first six months of 1977, the Chicago-based international corporation reported a net income of \$14,578,000 (1.33 per share) on revenues of \$897,278,000. A special provision of \$3,120,000 (0.28 per share) relating to the New York City subway car contract reduced earnings which had reached \$19,062,000 (1.75 per share) for the first half of 1976. During the second quarter of 1977, Pullman Incorporated received orders for more than \$1,000 million which brought total Pullman backlog to a record level of \$4.100 million. Pullman Incorporated declared a dividend of 33 cents per share for the second quarter. It has maintained a record of consecutive cash dividends for the past 110 years.

HISTORY TODAY Edited by Peter Quennell and Alan Hodge The SEPTEMBER issue includes: NANA SAHIB AT GAWNPORE, 1857 Christopher Hibbs COBBETT'S VIEWS ON SCHOOLS Molly Townse MATTEO RICCI IN CHINA, 1583-1610 Nora C. Buckl THE LAVALLETTTE AFFAIR, 1815 Michael Glou THE STRAND BLOCK OF SOMERSET HOUSE, Part II Sonia and Vivian Lipman BRIGHTON CHAIN PIER L.W. Cowe NOW ON SALE, 50p. Annual subscription £6.70 (US\$16.00) for 12 issues including postage from Brackley House, Cannon Street, London EC4P 4BY

Financial Times Exhibitions

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

METALWORKING

Evaluating cold forging

WHILE COLD forging of some products is technically feasible but not yet economically competitive, for other components the limitations are purely technical.

To investigate why this process, despite its saving in material costs, has few commercial applications, the National Engineering Laboratory (NEL) has reviewed present knowledge of the field (citing 65 references) and has evaluated possible developments in cold forging.

Each stage in the process adds to product cost, and the proportional cost of each stage varies with the product and the batch size. More accurate information is needed on the functional performance required of engineering products so that the most cost-effective method and manufacturing route for a specified performance can be established.

Billet preparation accounts for a significant part of the total production cost. Using powder metallurgy techniques to produce sintered or hollow billets, and intermediate preforms, could

save much of this cost, not least products in which the number of operations needed.

Each forging requires appropriate tooling and often additional heat treatment, both of which can be costly.

NEL says that the scope for saving in other areas appears to be limited, particularly if the starting material, rather than the product performance, is specified. Tooling performance is a critical factor in assessing the commercial feasibility of cold forging and only large product batches can justify the additional cost of carbide tooling. Methods of increasing tool performance by reducing tooling stress or by improving tool material should be considered. Tool material obtained by powder metallurgy shows promise but its practical performance has yet to be established.

Further information is available in Report No. 629 (Possible developments in the cold forging of steel by M. T. Watkins) from NEL, East Kilbride, Glasgow and intermediate preforms, could

Flexible workholder

IT HAS been proved that NC machine tools are an economic proposition for small batch work as well as longer runs, but an aspect that is labour-intensive and expensive, especially for small batches, is the making of jigs and fixtures.

One solution to this problem is the universal workholding system developed by Wharton and Wilcox, of Hertford. It consists of a range of elements, finished to a tolerance of 0.0003 inches, which can be assembled in a variety of combinations to hold almost any size and shape of component.

When a batch is completed, the fixture is photographed and the parts used are listed, so that the fixture can be readily re-built if it is again required.

Two basic systems are available, one for general machining and one for numerically-controlled machines. With the first, bush plates and similar tooling guides are included, which are not needed for the NC set. Standard users of the Aircraft Company investigated 920 fixtures built with the Wharton system, and found that labour saving totalled 16,000 man-hours and costs were reduced by 78 per cent. Cost of a system, which is made to order, is between £3,000 and £5,000.

Marketing is by B. O. Morris, Briton Road, Coventry CV2 4LG (0203 455014), a Cope Allman International company.

Casting and pressing

U.K. LICENCES for metalworking equipment are being sought by two Canadian companies through the London office of the Ontario Ministry of Industry and Tourism.

One company is offering a system of metal casting which it says combines the lower tooling cost of the sand method with the higher quality of pressure die casting. Known as the Rant graphite-mould gravity die casting process and developed by Rant Processes Inc., it is being offered as a straight equipment purchase or royalty plus technology royalty/training package with or without a licensing arrangement.

The other equipment is made by Richard B. Whiting Sales and is for punching, pressing, forming, clamping and shearing. It can be used for operations on materials other than metal.

More information is obtainable from Ontario House, (Business Development Branch), Charles II Street, London SW1X 4QS (01-930 6404).

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High speed lathes

AVAILABLE IN two sizes, the Mini and the Maxi, an automatic electro-hydraulic chucking lathe has been developed by Shahr Machine Tools, of Huddersfield (0344 415231).

Chuck capacities are either 160 to 200mm or 250 to 315mm. Either pneumatic or hydraulic chuck control is available, with repeatable gripping accuracy within 0.001-inch. Stated to need only unskilled labour for loading, the lathe has a maximum spindle speed of 3600 rpm and a traverse speed of 300 in/min.

Because of the high rpm the lathe is fitted with Pratt Burnerd lightweight power chucks. Aluminium alloy is used in the chuck body and jaws to reduce weight. The lathes are electrically controlled using a variable sequence relay system designed by Pratt Electric, and include a safety feature that clears a tool from the workpiece in the event of an emergency stop.

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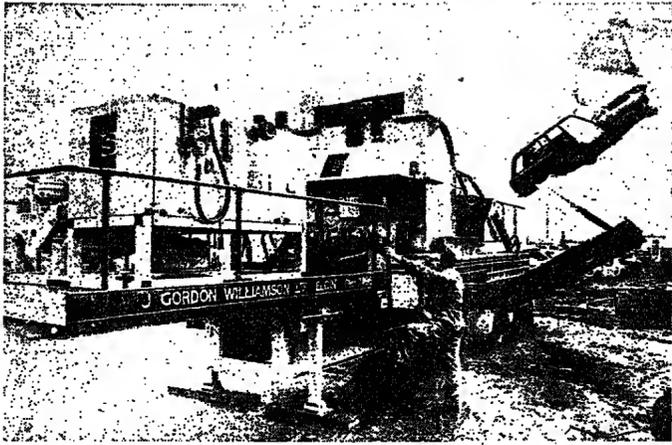
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This mobile shear baling press produced by Longton Machinery Supplies, Walton Summit Centre, Bamber Bridge, Preston, Lancashire, is claimed to be capable of reducing car body shells into six 12-inch bales in about 10 minutes. It is mounted on a tandem-axled step-frame semi-trailer built by Municipal Trailers.

COMPUTING

Aid to ship operation

ADDITIONS to the computer services available to the shipping industry and others interested in sea transport have been announced by Y-ARD of Glasgow.

The first, called Invaps, is a financial evaluation program using established investment appraisal techniques, for either single ship or combined fleet operations. It is aimed at those organisations that do not have their own computing facilities but need to undertake an extensive appraisal that would otherwise take up an unacceptable amount of executive time.

The second program is called Tands and is an extension of the company's existing trim, stability and longitudinal strength program.

Both programs are available using the company's own computer. From a suitable terminal they can also be run over a telephone line to the Systemsware Computer Bureau in Edinburgh. They can also be adapted to suit a client's own computer installation. More from Y-ARD, Charing Cross Tower, Glasgow G2 4FP (041 204 2737).

COMMUNICATION

Versatile base unit

INTENDED as a base transmitter for working with mobile and portable transceivers and with pagers is a 25 watt solid state vhf unit from Pye Telecommunications.

This amplitude modulated transmitter is suitable for simplex or duplex operation over the frequency range 68 to 174 MHz and uses a linear amplifier in the output stages.

It has been designed with low intermodulation products and so can be safely used on multiple

HAND TOOLS

Designed to give a strong grip

AN IMPROVED and strengthened version of the toggle pliers made by HMC-Brauer has been launched. The device is a quick-action lock-on industrial clamp-

transmitter sites without interference problems. Known as the T-101, the transmitter can have a special module, fitted retrospectively if desired, to ensure that only those mobiles fitted with an appropriate decoder will receive the message. This feature is particularly valuable to users sharing the same frequency.

The company is announcing at the same time a companion base station receiver. Among its advantages are the ability to receive signals of high modulation with low distortion, and a low level of spurious responses.

The unit also has high selectivity, good signal to noise performance and outstanding protection against blocking and intermodulation. More from Newmarket Road, Cambridge (0223 812221).

Amphibious excavator

USING TWO box section pontoons, and the company's 380 degree excavator, the Hitachi Construction Machinery Company of Tauchang, Japan, has developed a self-propelled soft terrain vehicle capable of working on water, marsh and wasteland.

The lightweight boom is 13 metres long and can be fitted

PROCESSING

Nickel stripper

WHEN FOR some reason articles have to be re-plated, it is first necessary to strip the existing electrodeposit.

Latest product for the immersion removal of nickel and nickel alloy deposits is Nimstrip, made by W. Canning and Co. Great Hampton Street, Birmingham B15 6AS (021-238 8621). It does not contain cyanide or other complex organics usually found in this type of product.

The maker says Nimstrip is effective for the removal of electroless nickel and nickel-iron alloy coatings, both of which are notoriously difficult to remove. Deposits may be removed from steel and copper alloy components with only a minimum of attack on the base metal.

CONSTRUCTION

Efficient pile driving

ENABLING THE pile-driver operator to adjust his controls to maintain optimum performance consistent with the soil conditions, is an electronic monitor for steam hammers.

The device measures the terminal velocity of the ram. A vane attached to the hammer breaks a light beam, and the length of time the beam is broken can be measured to within 100th of a millisecond. A chart recorder prints the number of each stroke, and the stroke time. The terminal velocity thus printed indicates the rate of penetration.

The equipment has been developed by Fugro, of Ruislip, Middlesex (03031), a geotechnical engineering consultants, for use in their own surveys, in particular in connection with offshore structures.

The company, a subsidiary of Fugro-Cesca BV, Holland, says "Soils in the North Sea can be very hard and present a formidable pile-driving problem. It is important to be able continuously to monitor performance during the operation."

A prototype has been used for a Menck steam hammer during an offshore test at Hamburg.

Big digger from U.S.

NOW AVAILABLE in the U.K. is the T.800 crawler trencher built by Vermeer Manufacturing in Iowa, U.S. The machine is capable of digging 8 ft deep, 3ft wide trenches.

Track width is 8 ft, and the machine travels on 22-in wide track pads. Final track drive is completely enclosed. The maker says that trenching speeds of 10 to 15ft/minute can be achieved.

Driven by a 100 hp Detroit diesel engine, the unit uses a double digging chain system, and can dig at four speeds plus reverse. Independently of ground speed.

Marketing in the U.K. is by Metaquip, Blandford Heights, Blandford Forum, Dorset DT11 7TE (02582 4226), and the price is likely to be around £35,000.

COMPONENTS

Connects plastic tubes

FLANGELESS CONNECTION of high pressure narrow bore plastic tube can be carried out by a connector available from Biolab, 51, Norfolk Street, Cambridge CB1 2LE (0223 68941).

It is stated that the unit incorporates a tube gripper which allows tube-to-tube joints to be made capable of withstanding pressures up to 1000 psi.

Called Omnit, the connectors are of polypropylene (or for corrosive high temperature environments clear Tefzel). In an assembled connector each tube end has a fitting of Teflon encapsulated in stainless steel, offering a large sealing surface. The seal is Teflon-to-Teflon, which in normal use is the only material in contact with the fluid. Repeated connect-disconnect operations are said not to affect sealing integrity.

For sterile filtration

INTENDED FOR the pharmaceutical and allied industries, a small filter assembly said to combine the advantages of large-area membrane cartridge filtration with the economics normally associated with flat-disc membrane filters, has been introduced by Pall Filtration.

Called SealKleen, the assembly incorporates a small disposable cartridge of either one or two square feet effective surface area in a stainless steel housing 9 inches high by 3 inches diameter.

It is stated to achieve removal ratings down to 0.2 micron absolute, making it suitable for small to medium critical filtration applications such as the sterile filtration of small batches of parenteral drugs, or of sera and other biologicals and solvents.

The maker is at Warton Road, Portsmouth PO6 1PD (07018 70801), a subsidiary of Pall Europe.

Metsec
for transport
Metal Structures Ltd, Oldbury, West Midlands B69 4HE
Tel: 021-552 3541

INSTRUMENTS

Quick check on speed

ROTATIONAL speeds from 100 to 20,000 rpm can be measured from a distance of one metre using a portable battery-operated tachometer introduced by Kent Industrial Equipment (Travis Instruments).

Resembling a small cine camera with pistol grip the instrument is easy to use. The operator simply presses a trigger and aims the light beam at a reflective target attached to the shaft to be measured. A point of light on the digital numerical display glows when the light beam is on target and the measurement that takes place is to an accuracy of ±1 revolution.

Proximity sensors are available as an alternative to the optical device and these can be used in tandem to provide accurate measurement from several points to a central position.

Power is from two HP11 batteries. Overall dimensions of the tachometer are 145 x 82 x 44 mm and weight is 775 gms. A high speed version (up to 100,000 rpm) is available. More from Park Road, Barnet, Herts. (01-440 7161).

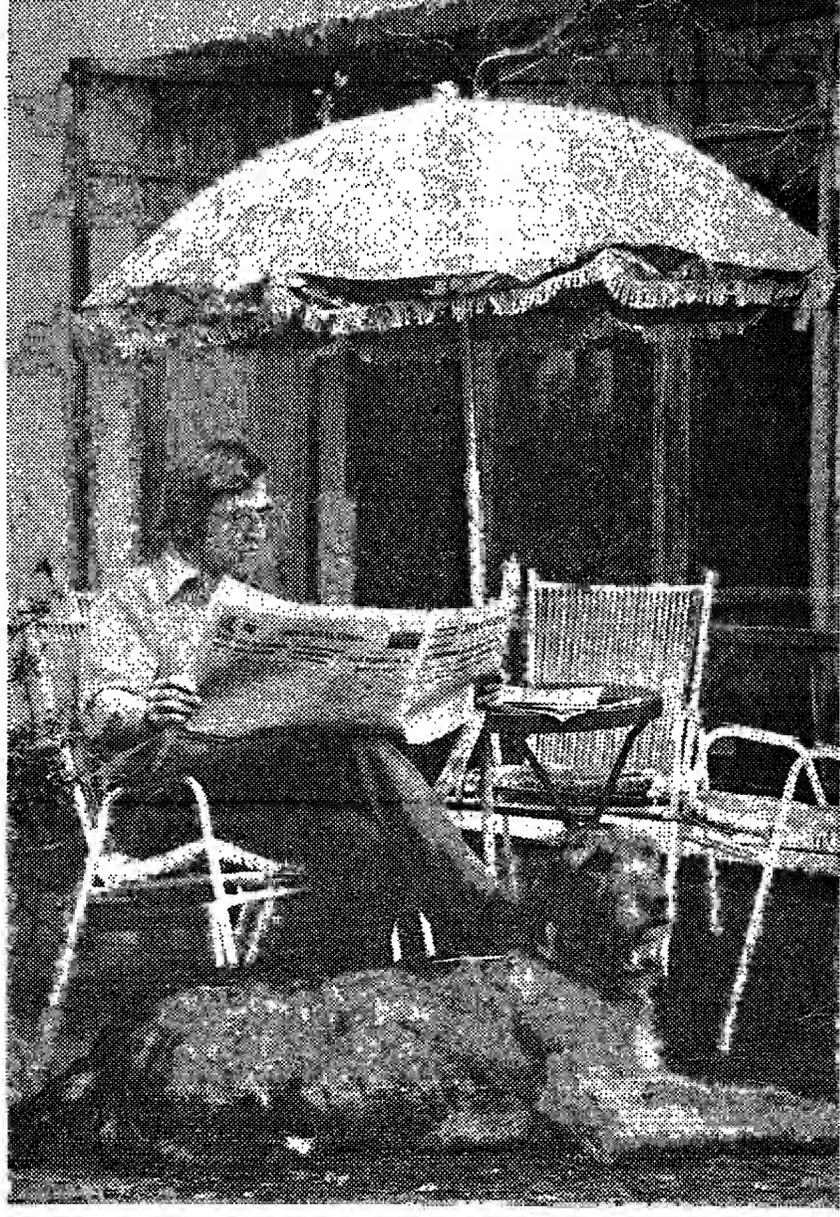
Gauges film deposition

THOSE CONCERNED with thin film deposition in vacuum will be interested in a thickness monitor from Nanotech which gives a direct reading on a four-digit LED display.

The instrument works by detecting the shift in oscillating frequency of a quartz crystal which is collecting a portion of the evaporant. The shift is related to the mass of film deposited and it is possible to compute film thickness from a knowledge of the area of the crystal exposed and the density of the deposit.

Designated NQC1, the instrument has a front panel digital thumbswitch for dialling in the density in gms/cc and displays the film thickness of any material in nanometres.

The crystal holder, cable connected and operating through a vacuum feedthrough, has associated support files which allow it to be properly positioned with respect to both substrate and vapour source. Maximum thickness that can be measured before replacing the crystal is 12 microns of aluminium (less for denser materials). More from Nanotech (Thin Films) Products, 150, Manchester M25 5WD (061 778 8514).



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FINANCIAL TIMES SURVEY

Tuesday September 6 1977

Pensions

Next year sees a major social advance with the introduction of earnings-related State pension scheme providing cover for all. The private pensions industry once thought this would sound its death-knell, but as this survey shows the evidence is for continuing support role for this sector.

Dawn of a new era

By Eric Short

WE ARE now at the threshold of a new era in pension provision in Britain. Next April the new State pension scheme comes into operation ensuring earnings-related pensions for all. After two decades of political in-fighting, when each attempt to introduce an earnings-related scheme by the Government of the day was thrown out by its successor, this present scheme has the acceptance, if not the blessing, of all political parties. Whatever may happen on the political scene over the next six months, the start of the new scheme is assured.

But even more important, the structure of the scheme has given occupational pension schemes an important role to play in providing pensions. No longer will private pension provision be regarded as the rival of State provision. The way has been cleared for a partnership between the two sectors.

The fears of the pensions industry that the Labour Government was by its hereditary pledge to destroy it, fears that were justified in the past by the outspoken attack by the late Mr. Richard Crossman in the 1971 Eleanor Rathbone Memorial Lecture, have finally been dispelled. The late Mr. Brian O'Malley, the Minister of State responsible for much of the design of the new State scheme, did a lot to ensure that this partnership would be real and lasting.

The shackles and frustrations of two years of pay policy were formally removed last month. Pension scheme improvements are once again subject only to Inland Revenue limitations and even now it is difficult to understand why the Government felt obliged to impose them in the first place. Employers, employees and their trade union representatives can now negotiate for worthwhile pension levels in time for implementation by next April.

It is probably too late for employers to do much about deciding the future of pension provision for their employees—whether to stay in the State scheme or contract-out. Even though April may still seem light years away on some time scales, it is very close considering the amount of work that is required to get out of the State scheme. But it is as well to reiterate briefly what is involved.

The new State scheme will provide a pension in two parts. The first tier will be the present flat rate pension which

everyone will receive irrespective of whether they get a company pension or not. The second tier will be based on a person's average career earnings (revalued for movement in earnings) over his best 20 years. Employers have the option to contract-out of this part and replace it by a company pension scheme. But to do this certain conditions must be fulfilled.

First, the benefits provided by the company scheme must conform to minimum standard levels laid down by the Social Security Pensions Act 1975 and ensure that no individual employee is worse off from the decision to contract-out of the State scheme. This involves very complicated procedures for employees who change jobs. Secondly, the employer cannot discriminate on grounds of sex or age as to which employees will contract-out and which will stay in the State scheme. Thirdly, the employer has to consult with his employees and their trade union representatives over the decision to contract-out.

On this last condition, the Act does not define what constitutes consultation, but the trade unions are in no doubt that it means full-blooded negotiations. Failure to conform to this consultative procedure will result in the Occupational Pensions Board (OPB) withholding a contracting-out certificate. Companies are finding that consultation with all relevant groups and unions is taking far longer than was originally anticipated and is the main cause for the slowness



The first contracting-out certificates to be issued by the Occupational Pensions Board at a ceremony last July. Left to right: Mr. K. G. Smith (British Steel Corporation); Mr. G. H. Goodwin (Richardson of Leicester); Lord Allen of Abbeydale (chairman of OPB); Mr. C. M. Cavaye (Scottish Widows' Fund); Mr. D. M. Potter (Whitton Plant Hire).

in companies getting clearance from the OPB.

If employers are still deciding what to do then almost certainly they are keeping their employees in the State scheme by default. But whether employees are using the State for pension provision by design or default, their task does not end there. The State scheme, despite its complicated benefit structure, has several advantages. Then the State second tier pension imposes a ceiling on earnings upon which the pension is calculated, so that any

the biggest gap as far as one earning more than about 11 times national average earnings is the absence of any lump sum will receive the same pension provision, either on death while still employed or on retirement. The State planners showed a tendency to give an individual providing a low benefit accrual what they think he needs rather than what he wants, and any allowance for service prior to 1978. For the older most employees prefer cash in hand to cash payments over some future period. Life companies have been active in promoting off-the-peg schemes designed to provide lump sum benefits, so this gap

should be easy to fill. The Confederation of British Industry and the British Institute of Management have both made arrangements whereby their members who are staying with the State scheme can supplement the benefit provision.

It is perhaps ironic that company pension schemes have been given their charter of freedom at a time when investment conditions are unfavourable for their operation. Since pensions are linked to final salary, this in effect means that they are linked to salary inflation while the employee is working. Now that the new State scheme provides index-linked pensions for the second tier, there is likely to be strong pressure for all company schemes to follow the example of the civil service and public board schemes and index the whole of the pension being paid after retirement.

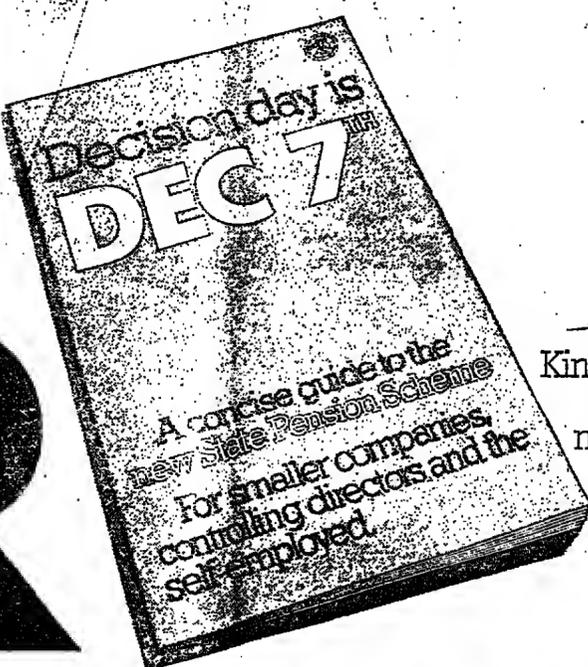
But since company schemes are for the most part funded, it needs a real return on investments to keep pace with inflation; otherwise the employer has to make up this investment deficit. There has not been a real return on investments for some years, and whether it will come again is growing more doubtful. The problem could be made worse if investment direction were to be imposed on pension schemes. One gets the feeling that some companies would have welcomed the imposition of an all-embracing State scheme if only to stop their hands from shaking.

What of the future after April 1978, is out of the way? One noticeable feature of the past few years is the growing involvement of trade union members of pension schemes in the running and management of the schemes, often with equal representation on all management Boards. Government has prepared a Paper which proposes that trade unions should nominate the members' representatives to 50 per cent of the

These proposals have been bitterly opposed by sections of the pensioners' try and by employers' organisations. When the ultimately appears it will be a return to the political arena. What is certain is that members of pension schemes are going to become more closely involved in the design of schemes either by legislation or by evolution.

Then again, the Government has grandiose plans for dissemination of information to members about their pension scheme. Whether the members themselves want to be with documents, booklet or other pieces of paper has been ascertained. But pension managers regard it as one more burden on already overloaded backs. It is needed in several years from legislation so that the Act and its consequences be digested. But it is probably wishful thinking

IN OR OUT?

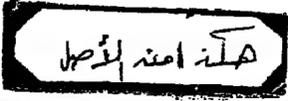


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With the arrival of the State pension scheme there will be a growing demand by employees and unions for closer involvement in company decisions. As DAVID CHURCHILL points out below, the unions will look on this as a logical extension of their growing role in society; DAVID WRIGHT stresses the need for better employer/workforce contact.

High on the unions' list

THE past two years of a closer liaison over the past few years between the union movement and Government has shown that unions are more prepared to take a long-term view. Many consider it important to safeguard members' pensions as an era of high inflation and uncertain economic development.

Aware

The other reason is that unions nowadays are more than ever aware of their broader role beyond just maintaining job security and improving pay. Unions are now actively involved in such issues as health and safety, social insurance, racialism, energy, transport, and many other areas where only a few years ago they had no positive policy. Pensions is high on the list of major improvements.

ways on improving employee participation in pension funds. But instead of accepting the idea of a Code of Practice, set forward by the Board, the Government instead put its faith in legislation.

In the White Paper the Government philosophy is clear. To achieve effective employee representation on pensions funds, only independent trade unions should be represented. This means that employees who are not members of trade unions will not have representation on the funds.

The approach most likely to work, argues the White Paper, is to give recognised independent trade unions the right in 50 per cent of the seats "on all bodies concerned with the general management of occupational pension schemes, such as bodies of trustees or special management committees, or bodies of similar character."

Companies that fail to adhere to the legislation could face fines or be forced to stop deducting contributions compulsorily from employees' pay.

According to Mr. Harry Lucas, who is responsible for pensions at the GMWU, the reaction to the Government's proposals has been "hysterical."

masterminding the Government's proposals has already in fact indicated that when legislation is introduced it will provide for union members within a company only to serve as a trustee. But Mr. Orme still refuses to budge on the issue of union representation only, leaving non-union employees out in the cold.

The main opposition to the Government's proposals has come from the CBI. It describes the White Paper as "little more than an edited version of a TUC pamphlet."

To support its opposition, the CBI has carried out two major surveys on pension fund participation. A survey of 100 major companies revealed that of the 1.6m. people in membership, 43 per cent (700,000 members) already have full participation in scheme management, while 11 per cent (150,000 members) have partial participation in that the management body is not responsible for control of investment.

Plans

A further 27 per cent (440,000 members) are in schemes where the companies concerned are working on plans for participation.

The survey demonstrates, says the CBI, that arrangements for member participation in the management of occupational pension schemes are already widespread among large companies and are increasing. There is a wide variety in the form of these arrangements, which are tailored to suit individual companies, say the CBI. In the great majority of cases all members share in the normality of the management body.

The CBI believes that the introduction of legislation would impose an undesirable rigidity which would inhibit the development of these voluntary arrangements. In particular the CBI is opposed to the Govern-

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Employers need to keep the message simple

IT HAS always been a matter of a better supply of information between employer and employee on the complex details of pensions, but given the current upheaval in that area, the need has become that much greater. Under the Social Security Pension Act of 1975 consultation with the representatives on matters covered by the other they intend to contribute to the State scheme that may arise from the event. Since at certain levels of real proposals. The Government is also anxious to improve the level of communications once the company leaves the pension scheme is operational. The bulk of schemes are fully satisfied when the will now have to make available is made. That can be achieved by a high standard of communications.

such matters as a copy of the annual accounts together with the auditors' certificate and details of the scheme's investments. An actuary's certificate would also need to be given regarding the last valuation, while an indication of the investment policy being followed should be supplied.

Any eligible employee joining a company needs to be given a written outline showing the main benefits and conditions of the in-house pension scheme within three months of joining the company. Once the member actually joins the scheme the more detailed information needs to be given including the role of the trustees.

These statutory requirements will obviously make communication that much more difficult and problems similar to those seen in the past are bound to crop up again.

Many companies at some stage or other have issued explanatory booklets but these are seldom read. By and large these booklets became too bulky and rather than explain the function and benefits of the scheme in simple language they ended up very hard to read.

This resulted from the tendency to cram in too much information. Because the trust deeds and rules are almost incomprehensible to the bulk of members there was an urge to use the booklets for reference purposes as well as a way of explaining the scheme to members. This in turn meant that the employer put as much information in the booklet as possible for fear that some important legal matter might be omitted and he taken to court. So with each successive edition the booklet tended to get larger, and far from being the easy read that was originally intended, the booklets became nothing more than an extension of the trust deeds.

Pensions are a very dull subject and since it is a common fact that people under the age of about 45 have little interest in the subject it is a complete waste of time for employers to publish that kind of literature, which often was badly presented as well as being too long. Considering the company invariably is the major contributor to a pension scheme it is imperative that the attractiveness of the house scheme comes across to the members much in the same way that any new pay scheme or productivity deal would be handled. If the message does not come across to members the company could find that instead of improving labour relations the reverse could happen.

However, it is not necessarily just the employer who has an interest in ensuring that the benefits are well communicated. Trade unions also have a role to play in communications, particularly if they were party to the negotiations which led to the scheme's improvement or introduction.

Apart from the moves by the Government there are a number of pension consultants who pro-

vide a worthwhile service in improving communication standards. By and large they tend to favour not only more simplified forms of written material but also that these should be accompanied by some form of meeting where visual displays could be shown.

The readability and understanding of these booklets could be greatly improved if shorter sentences and words were used. They should also be rephrased so as to avoid where possible the use of conditionals and negatives and should use headlines and layouts so as to direct the reader to what applies to him and away from what does not apply to him. Certainly these are the views of Metropolitan Pension Association (MPA).

There are some who feel that the use of flow charts is a useful exercise. A logical tree or flowchart is basically a sequence of simple questions or statements that are constructed so that the answer to the first statement leads the member on to the next statement that is relevant to his particular circumstances. The member therefore obtains all the answers to his particular case without having to read the points that are not relevant to him.

One of the most essential points of communication in pensions, however, is the use of explanatory meetings. Research shows that over 80 per cent of information acquired is obtained through viewing with 21 per cent through hearing. But we retain only about 20 per cent of what we hear against over 50 per cent of what we both see and hear.

Explanatory meetings offer the best opportunity to get across information for they not only allow the use of visual aid but they also give scope for some form of feedback by way of questions so any misunderstandings are cleared up.

Meetings should not be regarded as a substitute for booklets and benefits statements but merely an extension of the communication system. There can be no substitute for providing each employee with a simple well presented statement showing the figures that apply to his particular case. If possible this statement should be given annually. Bass Charrington and Alcan Aluminium are two companies that now offer employees a statement that gives a forecast of all members' benefits on retirement based on the pensionable salary at the particular time.

A number of other large industrial companies have also made great improvements in their level of pension communications within their organisations, but overall there is still a long way to go. As the MPA rightly point out, in light of the requirements that an employer now has to meet he would be well advised to make a successful industrial exercise out of the necessity to communicate information rather than doing the bare minimum.

David Wright



Pensions: are you on course?

Norwich Union is - and can guide you successfully

April '78 is only seven months away. If your company hasn't yet decided whether to contract in or out of the new State scheme, you haven't a day to lose. The requirements are complicated and you need expert advice - the advice you can expect from a very large mutual Life Office like Norwich Union.

We can help you in several ways, especially now that approved schemes are outside the Pay Code restrictions.

Contracting Out
Norwich Union can provide benefits which meet all the conditions necessary for contracting out of the State scheme for companies with ten or more employees.

Contracting In
Cash Benefit Schemes Substantial lump sums on death or retirement. The State scheme does not provide these.
Controlling Director Schemes Benefits up to Inland Revenue maximum approvable limits.

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PENSIONS III

Coping with the menace of inflation continues to be a major headache for the fund manager, indexation being an answer that is too expensive for anyone but the Government. Various remedies have been tried but the best hope must lie in a buoyant securities market coupled with continuing moderation in wage increases.

Effects of inflation

ONCE AGAIN the Government is holding out the hope of "single figure" inflation within the next year, and certainly the rate of price increases seems likely to ease back sharply from the recent year-on-year rate of almost 18 per cent. But few people believe that inflation can return within the next few years to the levels of the 1950s and the 1960s. The threat of prices rising inexorably haunts every pensioner, and poses severe problems for the pension fund manager.

Various ways have been devised of coping with the problem. The ideal method—full indexation of benefits—is unfortunately an option open only to the Government. The indexed pensions enjoyed by retired civil servants and other former public sector employees have become the cause of some bitterness among less fortunate private sector pensioners.

The Government, with its ability to print money, can take on these unlimited monetary liabilities without fear of insolvency. But even the Government's capacity to meet such commitments is not necessarily boundless, particularly in view of the risky decision to link pensions to an index of prices rather than of wages. Originally the Treasury thought this would be cheaper, but the commitment could prove unsustainable after a prolonged period of falling living standards.

A few private sector companies have followed the Government some way along this road, but only on a discretionary basis. Companies like Imperial Group or ICI belong to this context, where long-standing pension funds may have built up a surplus in favourable periods over the years through successful investment policies, allowing scope for upgrading benefits. Alternatively, companies may decide to use part of their profits to help their retired employees.

But there can be no question of such companies entering into formal fully indexed commitments. Any improvements to benefits have to be decided on in the light of what the scheme

or the company can afford. An interesting case is that of Legal and General Assurance, which manages pension funds on a massive scale for other companies. For its own retired employees Legal and General operates a discretionary annual review system.

On July 1 last its pensioners were awarded a basic 9 per cent rise—limited to an absolute cash figure of £207 in line with the maximum payable to current employees under the pay code. With inflation running at over 17 per cent in the period July, 1976-July, 1977, this increase fell well short of formal indexation, although of course the living standards of the nation as a whole were equally falling sharply in this period. Effectively, Legal and General pays for such increases out of revenue by buying lump-sum annuities.

Formal

As an alternative to this discretionary approach, it is possible to build formal "dynamisation" into pension benefits. In this system, pensions rise by a predetermined amount—say, 3 per cent—each year. This is better than nothing, but of course the increases may bear no relation to the actual cost of living rises faced by pensioners in the years of their retirement.

The State scheme coming into effect next year poses a new challenge to private sector employers who contract out. The guaranteed minimum pension will be inflation-proofed by the Government once the pension is in payment. The vulnerability of the extra benefits above the minimum level will thus become very apparent, and in this situation there could be greater pressure from unions and pensioners for full indexing.

The menace of inflation has caused many companies to question the continuing relevance of fully funded schemes, which have often required some very expensive topping-up in the past few years, and have focused attention on the pay-as-you-go alternatives. These have become particularly well

developed, for example, in the private sector in France, largely because inflation has been a serious problem in that country throughout the post-war period.

Pay-as-you-go schemes easily cope with inflation because contributions automatically rise with wages and are paid over almost immediately to pensioners. But they have to be set up on a very broad basis—indeed industry-wide—to avoid the consequences of individual company failures.

Their weakness is that they are vulnerable to changes in the balance between contributors and pensioners, either because of national demographic trends or because of contraction in particular industries. It cannot be certain that in such circumstances the working population will automatically agree to actuarially determined increases in contribution rates.

In Britain the typical company pension scheme has in practice become a combination of the funded and pay-as-you-go methods, the latter representing the discretionary increases, which unlike those in France continue to be vulnerable to company bankruptcies. If the advantages of full funding and inflation proofing are to be combined it is necessary

to obtain a secure real rate of return on investments. Even a small negative real return would be theoretically acceptable, so long as it was stable, though plainly this could make a scheme very expensive to operate. It is the absence of inflation-proof investments which has threatened to bring about a pensions crisis.

Figures quoted in the recent Economist Intelligence Unit special report on pension funds in Britain highlight the problem. The report concludes that if long-run inflation is in the 5 to 10 per cent range, the levels of pension contributions as a percentage of pay can only be satisfactory in relation to current practice if real investment returns are 2 per cent or above.

On the assumption of 3 per cent real income growth, full inflation proofing would require contributions of 28 per cent of pay if real returns are 2 per cent per annum, and nearly 45 per cent of pay with zero real returns. The costs would be somewhat lower if no real income growth were assumed, a possibility which has become more realistic in the light of trends since 1975, but which may not always be a safe assumption.

Since future trends in inflation and real investment returns are that much difficult to assess, construction of a fully-funded pension scheme has become an unreasonably subjective affair. Schemes relying on normal contribution rates, which have typically been around 14 per cent of pay taking both employers' and employees' shares, may well prove inadequate.

Change

A recovery in the performance of the securities markets would of course change the picture markedly for the better. Between 1946 and 1966 the real return on equities, for example, was of the order of 8 per cent. Since 1966 equity returns have become negative—dramatically so in the years up to 1974—but there has still been a positive real return of 4 per cent or so taking the post-war period as a whole.

Returns on fixed interest securities have been very much worse, causing a long-term shift in investment policy towards equities and latterly property. Until the early 1970s property performed well, but even here returns were negative from 1973 onwards.

The investment crisis is the more serious because enormous growth of new funds in recent years has coincided with the phase worsening investment returns. The Government has refused to offer index-linked securities pension funds, which have solved the investment problem but would have amounted to the Government assuming the bulk of private sector funded schemes.

The hope must now be that the securities markets are entering a new and favourable period. It has already shown signs in the past year or so: the FT 30-Share Index is up 500, and long-gilt-edged may well be on a prospective positive come, with yields above 10 per cent, quite apart from the able bonus of capital gains.

A couple of years of stock market performance would transform the funding of many pension schemes. It is all very much of a continuing danger of pressure for higher wages again force up inflation into the profits out of future pensions will have paid.

Barry J

Different problems face those setting up their own

pensions entitlements, such as the self employed and the senior executive. The pros and cons of various schemes for the former need particularly careful examination, while "top hat" plans for the executive are being recognised as a useful tool in CTT planning.

Self-employed schemes

FOR THE self-employed the Government's two-tier pension plans have no relevance. For them it is nothing to come out of the scheme, but as yet there does not seem to be any real answer.

As to whether the investor would be better off with a series of single premium contracts renewed each year or an on-going annual premium, which is fixed, is another question that usually crops up. Talking to pension consultants at Sedgwick Forbes it is clear that they believe in the long run that annual premiums offer a better return. However, there are a couple of points of merit in going for single premium contracts.

First, the investor can switch offices as often as he likes and, secondly, there is the practical advantage that the size of the premium can be varied to suit the profitability of any one year's trading. A general guide is to take perhaps one-third of pension savings into single premium contracts for flexibility.

Pensions for executives apart from the rest of the workforce are common in this country and now when pay restraint has undermined direct remuneration executives are looking more and more towards other kinds of benefit. Pensions should rank high on their list, and the executive should expect the company to provide a pension benefit entitling him to the full two-thirds of his terminal salary.

The main advantages of "top hat" schemes (as they have been dubbed) lie in tax relief. In brief, there is full corporation tax relief on company contributions and there is no tax liability for the executive on the company contributions. There is full income tax relief at the highest rate paid for any contributions made by the executive himself and all contributions invested in the pension funds are exempt from capital gains tax, and any lump sum life assurance is free of capital transfer tax. Finally, the executive can receive a tax-free lump sum on retirement and the pension is taxed as earned income rather than investment income.

An important point is that providing the benefits do not exceed the Inland Revenue's limits there is no limit to the contributions the employer can make. The Revenue sets limits on how much pension can be paid per year of service but it is possible to work up to the maximum of two-thirds pension within ten years' service.

Apart from the contributions paid by the company, the executive can top up these with his own arrangements (as long as he does not exceed the earnings or the final benefit rules), or for tax relief, he would be

may not qualify for a pension, but it does serve to highlight the fact that the scheme, but as yet there does not seem to be any real answer.

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Apart from the contributions paid by the company, the executive can top up these with his own arrangements (as long as he does not exceed the earnings or the final benefit rules), or for tax relief, he would be

eligible to take the contributions against tax at the highest rate paid.

Another point worth remembering is that lump sum life insurance benefits are often arranged under trusts where the trustees are free to pay the benefits at their discretion. Because the investor has never actually had an interest in the benefits they are free of capital transfer tax and therefore "top hat" policies have become a useful tool in CTT planning.

Indeed, one broker reported that most of the activity in the executive pensions market over the past couple of years was due to CTT planning by controlling directors.

Because of the tax benefits it is not surprising that the Inland Revenue has set limits such as the fact that maximum benefits relate to the length of service. Also on the tax-free lump sum there are maximum

Terry G

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BARIC

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John, in 1978

PENSIONS V

The articles on this page discuss two of the most testing problems in the pensions field. The first concerns the as yet unresolved questions of equality of pension rights between men and women. The second lies in the difficulties facing pension fund portfolio managers in these times of high inflation and negative real return on investments.

The goal of equal rights

FOR THE MOMENT, at least, it looks as though the attempt to achieve real equality in pension rights between men and women has been abandoned. The reasons, however, lie not in the shallows of chauvinism but in the rather murkier waters of politics and bureaucracy. For the problem in adjusting occupational pension schemes to provide equal treatment for men and women lies essentially in the fact that most of them provide for different retirement ages—60 in the case of women, and 65 for men, or variations upon that theme. And, as emerged from the second White Paper on the equal treatment of men and women in occupational pension schemes published in March this year, the Government has no intention of doing anything about that.

Moves to amend the inequity run up against cost on the one hand and politics on the other. Very tentative figures prepared by the Government Actuary's Department for the Occupational Pension Board's inquiry on equal status a year ago suggested, on the basis of earnings in the third quarter of 1975, that to lower the age of retirement for men would cost some £40m. per year in respect of past service benefits for each year lopped off, and a similar amount in respect of future service benefits. Both amounts would rise with salaries, and with any new benefits introduced.

One alternative would appear to be to raise the age of retirement for women. It is, however, an alternative which did not recommend itself to the Occupational Pensions Board (OPB) because, as it pointed out when the results of its enquiry were published last year, it would be unfair to those women already contributing to existing schemes in the expectation of retiring at 60.

The whole business has been bedevilled by the interaction between the occupational schemes and the State scheme, where the same discrepancy over the age of retirement exists, and where the consequences of rectifying it could be very wide-ranging indeed. Mrs. Castle pointed out to the House of Commons in 1975 that the cost of lowering the retirement age for men to 60 under the State scheme would be an unacceptable £1.4bn. a year; and that has since been updated on DHESS estimates to £1.7bn. a year, with an additional £300m. a year for increases in social service provisions.

Raising the retirement age for women is, in the Government's view, politically unacceptable—only a few of the women's organisations have called for it as a logical alternative. Such a move could, apart from anything else, have dramatic consequences for the unemployment figures.

Any attempt to iron out the discrepancy over retirement ages within occupational pension schemes, while it remains in force within the State scheme, works very much to the disadvantage of men. A man retiring at 60 under an occupational pension scheme has, for example, five years to wait before he can draw his State pension; and if the benefits under his occupational scheme are less than generous that means that he may end up drawing supplementary benefit.

Any attempt to raise the retirement age for women, however, leads to converse disadvantages: a woman who can work to 65 under an occupational scheme has increments accruing to her within the State scheme, to which her male contemporaries are not entitled. So any move to equalise ages within occupational schemes ahead of a similar move in the State scheme looks very unlikely indeed: in fact, the OPB

recommended that any requirement that occupational schemes should iron out the discrepancy should be dependent on such a move within the State scheme first.

Having ruled out any such move, for the time being at least, the Government appears to be pushing ahead regardless with some of the changes which the OPB considered were dependent on it—notably the equalisation of members' contributions, benefits, options, and arrangements for the preservation and transfer of benefits. The OPB's argument was that, on members' contributions for example, some distinction must remain to allow for the fact that women earned their pension benefits over a shorter period than men.

To go by the White Paper published in March, however, the legislation which the Government proposes to bring in will require contributions and benefits to be equalised irrespective of the period over which

such benefits are earned; and the question which arises, in consequence, is who is to fund the difference? If the State, then the concept of equality has taken a curious turn: if the employer, then the new pensions legislation designed to provide women with better rights to a pension may end up by depriving them of the right to work. A pension subsidy on such a scale is going to make a woman a very expensive employee.

In these circumstances, to abandon the notion that there are differences between the sexes which justify different treatments of pension rights looks like mere lip-service to equality. But in fact the Government, like the OPB before it, has not abandoned it entirely. It accepts that there is no point in trying to ignore the fact that on actuarial calculations, women do live longer—at least, it accepts that in respect of commutation rights which pension scheme members may exercise. So when a woman decides to commute her pension she will receive a higher capital sum than her male counterpart—though, of course, if she uses that sum in buying an annuity she is going to receive one with a lower yearly income.

Neither the Government nor the OPB accepted, in contrast, that mortality arguments should have any effect on the rate at which benefits accrue in defined benefit schemes—where differences in the treatment of the sexes are in any case comparatively rare; and neither has it accepted that it should affect the method of adjusting pensions for early or late retirement. The Government has not, however, followed the OPB in accepting that similar survivors' benefits should be available to widowers as to widows; in this case it has accepted representations from within the industry, that the differences in the age at which the people are likely to die must affect the provision for their pension scheme members' benefits.

In the meantime the Government is already planning to bring in legislation "as an opportunity allows" on the controversial elements of the OPB report—notably on the provision of more information to members and benefits, and the strengthening of access requirements—to give, for example, the excluded married persons on ground their marital status, to ensure that scheme entry conditions are not more favourable to men than to women as regards length of service.

They are in addition planning legislation on some areas which may be of real benefit to women; particularly maternity leave, placement, Protection Against Unfair Dismissal, and the changes to pension scheme benefits in cases of divorce and remarriage.

Adrienne Gitt

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Investment policy decisions

ALTHOUGH NO official figures have yet been issued, the indications coming from the pension consultants are that a high proportion of employers (far higher than anticipated) will be contracting-out of the State scheme and making their own pension provision for their employees. Whatever the reasons for this decision, the justification will rest primarily with the investment performance of the underlying fund.

The practice in the U.K. is for pension schemes to be fully funded. This means that the pension scheme builds up assets over the working life of an employee to meet the pension liabilities when retirement comes. Since pensions are now based on final salary or average revalued salary, the contributions have to be invested in assets where the investment performance will match salary inflation over the working life of employees. Failure to match salary inflation will mean that the employer will have to make additional contributions.

This means that the bulk of a pension scheme's assets will be held in equities and property where values are backed by real assets, with only a minority in fixed-interest monetary assets. The cult of equity in the 50s and 60s led to a growing involvement of pension schemes in equities and by the early 70s this enthusiasm had been transmitted to property. The strong positive cash flows of pension schemes and their tax exempt status were two positive factors in this boom.

But the higher rates of inflation over the past few years and the negative real return on investments has meant that in the short term at least pension schemes investments have not matched up to the demands made on them. The survey made by Harris Graham and Partners, leading pension consultants, on the performance of exempt pooled pension funds shown in the accompanying table is interesting. It shows that while this year's recovery has enabled equities, property and fixed-interest to outpace inflation over the past three years, it has still not caught up over the longer periods.

The present recovery has come just in time. But the past two years have been ones where the salary levels overall have been kept down by pay policy. If in the next two years wages and salary levels start to move ahead rapidly, then the present investment market recovery needs to be sustained in order to match the wages movement. Pension fund investment managers still cannot sleep easy at nights.

But the pensions industry has other problems looming on the

ANNUALISED INFLATION RATES AND AVERAGE INVESTMENT RETURNS
Period to June 30, 1977

	1 year	2 years	3 years	4 years
	%	%	%	%
Retail Price Index	17.7	15.3	19.1	18.5
National Average Earnings	10.0	13.5	17.5	17.1
Equities	25.7	25.9	24.2	5.8
Property	11.4	13.1	5.8	5.4
Fixed Interest	20.6	19.7	17.7	11.4
Mixed Funds	21.6	23.0	20.7	9.8

Source: Harris-Graham and Partners.

horizon, as far as investment is concerned. With assets totalling £20bn. and a cash flow running at an annual rate of £2bn. it is the largest provider of capital for British industry and commerce. As such it has been accused by the trade unions of withholding capital much needed for industry—"Strike of capital" is the phrase that has been coined.

The pensions industry has made a spirited defence of its role to the Wilson Committee, pointing out that it was not the job of the investment manager to attempt to create a demand for capital investment. The view is that it is the responsibility of the Government to create a climate which made it profitable for industry to invest. There was no shortage of funds available for investment on the right terms.

Nevertheless, pension funds towards collective investment managers are likely to operate in future to have to operate under some restraints irrespective of which party gets power at the next election. The Occupational Pensions Board at

present is investigating the possibility of security in pension schemes. As a result we could see legislation on valuation and matching requirements. This in turn would restrict the investment of part of a fund to a central or overseas admitted, but it could not be the thin end of the wedge. The pension fund investment committee from pension being an integral part of central planning discussions committing a large pension fund investor.

Eric

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The Management Page

هناك امنه لاصط

EDITED BY CHRISTOPHER LORENZ

decision of the Accounting Standards Committee to set up a group under the chairmanship of Mr. William Hyde to develop an interim solution to the inflation accounting controversy marks the latest chapter in this long-running debate. It follows the accountancy profession's rejection in June of current accounting (CCA) proposals made by the Inflation Accounting Steering Group, headed by Mr. Douglas Morpeth and part financed by the Government. The Hyde group has been asked to develop guide-

lines whereby large companies can give three different figures—which reflect the effects of inflation on their activities—in their annual reports.

One of the figures called for is an adjustment to take account of the effects of gearing, otherwise known broadly as a monetary items adjustment. It boils down to a recognition that the effects of inflation on a company's assets are partly borne by the suppliers of debt capital, and credit in general. This proposal is highly

controversial both on theoretical grounds, and to some extent one suspects, because it leads to smaller reductions in company profits than other proposals which limit themselves to accounting for the effects of inflation on a company's physical assets—its stocks and plant.

Martin Gibbs, the senior research partner of stockbrokers Phillips and Drew, has been a notable contributor to this debate. In this article he examines

three methods of making a gearing adjustment, including his own "Gibbs system."

His article is particularly timely since only last week Mr. Douglas Morpeth announced that both his inflation accounting steering group and the Hyde group were considering a gearing adjustment similar to the LDS version suggested below.

NICHOLAS LAFFERTY

Gearing up to meet inflation

BY MARTIN GIBBS

SUCCESS of the rebel information now being requested is remarkably similar to that which the Stock Exchange itself asked for in a letter sent in all listed companies in January 1976. However, there has been a subtle change in wording over the definition of the monetary adjustment. In the Stock Exchange letter, this was "the current purchasing power adjustment for net monetary liabilities or assets."



The fact that this has now become "an adjustment to take account of the effects of gearing" shows that opinion has moved away from basing the adjustment on the retail price index. This seems a sensible development. If we are working towards a CCA system, using specific indices for the adjustment of physical assets, it seems logical that any adjustments for monetary items (for example, debtors, creditors and borrowings) should also be based on specific indices, unless the company's business is so general—as in the case of a bank—that a general index is more relevant to it.

The background papers, published by the Morpeth group last December, discussed two main gearing methods. They called these the "Godley system" and the "Gibbs system." More recently the London District Society of Chartered Accountants has recommended a third system. Since each system has its advantages and disadvantages, they are worth considering in turn.

Godley System: The Godley system was put forward in an article by Wynne Godley and Francis Cripps in October, 1973. They suggested that the CCA holding gains arising from revaluing fixed assets and stocks should be split into two components, one representing the proportion financed by shareholders and the other the proportion financed by debt. They argued that the former needs to be transferred to reserve to maintain the "real" value of the shareholders' funds, whereas the latter represents a gain for the shareholders at the expense of the debtholders and is theoretically available for distribution or for the expansion of the business.

This system has been adopted by a number of the companies which have published CCA statements, including three companies on the Morpeth steering group: Delta Metal, Ford Motor and P. J. Carroll. As shown in the table, Delta Metal included an adjustment of £10.7m in its 1976 accounts, a figure which was slightly more than the pre-tax profit of £9.8m, calculated on the basis proposed in the Morpeth exposure draft.

The advantages of the Godley system lie in its relative simplicity and its intellectual purity. It shows the amount which a company could distribute after maintaining the real value of its physical assets and the initial ratio of net monetary liabilities to physical assets.

Its disadvantages are that it shows a gain, the calculation of which can be no more accurate than the valuations of the property and plant and which will not be backed by an equivalent cash inflow unless the borrowing is increased in

	£m.
Conventional pre-tax	24.6
CCA stock adjustment	-9.1 (a)
CCA depreciation adjustment	-5.7 (a)
Gearing adjustments	
Delta's method	+10.7 (b)
Gibbs method	
net creditors	+0.8 (c)
net borrowing	-2.3 (d)
LDS method	+5.2 (e)

(a) Including adjustments for associates.
 (b) 41.4 gearing times holding gains of £25.8m.
 (c) 8.3 net creditor financed proportion of stock adjustment of £9.1m.
 (d) 22.4 gearing times remaining holding gains of £23.2m.
 (e) 35.2 gearing times stock and depreciation adjustments of £14.8m.
 NOTE: "Gearing" is calculated slightly differently in the three systems.

line with the value of the assets. Furthermore, it does not cope with the problem of companies, such as banks, which have a net surplus of monetary assets, that is, whose cash and debtors exceed their creditors and borrowings.



Gibbs System: The system which I first advanced in February 1976 is a development of the Godley system. I believe that there is a vital difference between gains or losses on creditors and debtors, which will be backed by a semi-automatic inflow or outflow of cash as prices rise, and gains on borrowed money which will only be backed by a cash inflow if the lenders are prepared to lend more. I therefore believe that the two types of gain or

loss should be shown separately. The case for making this distinction has had some high level support in the shape of the English Institute of Chartered Accountants' recommendations to the Morpeth steering group. The Council said in May that it believed a monetary adjustment was required under CCA and suggested that "as a start the adjustment should include any monetary items which are inherent in the operation of the business but should exclude any items which can be regarded as part of the financing arrangements of the business."

It went on to say, however, that it accepted that, in a period of inflation, there was a transfer of value from the lenders to the ordinary shareholders and said that "ways may be devised in due course to reflect this transfer."

The effects of my two-tier adjustments to Delta's figures are shown in the table. The net

creditors have been set against the stocks so as to reduce the cost of sales adjustment by £0.8m. The proportion of the remaining holding gains financed by "net borrowing" (borrowing, preference shares, tax and dividends, less cash) comes to 58.3m. In Delta's case, net creditors represent only a small proportion of the total net monetary liabilities. However this proportion, and thus the overall "quality" of the monetary gains, will vary considerably from company to company.

Like the Godley system, my system produces a final profit which is dependent on the accuracy of the fixed asset valuations and could only be distributed by increasing the borrowing. Its advantage is that it also produces a first stage profit ignoring gains on borrowing which ties in with the movement of the company's cash more closely than the original Morpeth proposals or either of the other two systems considered in this article. It solves the problem of banks by making a deduction from their profits to cover the cost of maintaining the real value of their net monetary assets in the same way as an industrial company's net debtors. It also solves the difficult problem of contract work-in-progress since it allows an adjustment to be made on the net amount outstanding, after deduction of progress payments.

The disadvantages of the system are that it is a little more complicated than the others and that it is arbitrary in its division of liabilities between creditors and borrowing. For instance, some people would argue that a bank overdraft is more akin to a trade creditor than to a loan whereas I would

put it into the borrowing category. Furthermore, the figures could be manipulated if, say, a company reduced its borrowing by increasing its system, it fails to distinguish between gains financed by creditors and gains financed by reduced money.

So there we have the three methods. Naturally, I prefer my own but I have tried to be objective in discussing the advantages and disadvantages of each system. It is now up to Mr. Hyde's committee. They will have to make a quick decision if they are going to meet their target of publishing guidelines in November.

Initial indications suggest that the LDS system is the front runner. The committee may well feel that theoretical niceties can be left to the Morpeth steering group and that what is needed now is a quick rule of thumb method that will enable something to be published by companies in their 1977 accounts.

There is no absolute truth in accounting. I believe, however, that any of the three methods that I have described would produce a more meaningful indication of the "true" profits accrual to shareholders than the alternative of showing the stock and depreciation adjustments without giving any quantification of the offsetting benefits of gearing.

On the other hand, it appears to have no theoretical justification in terms of a capital maintenance concept; it seems inconsistent in that it recognises a gearing gain on the appreciation

of stocks and plant but not on the appreciation of land or investments or on exchange say, a company reduced its borrowing by increasing its system, it fails to distinguish between gains financed by creditors and gains financed by reduced money.

So there we have the three methods. Naturally, I prefer my own but I have tried to be objective in discussing the advantages and disadvantages of each system. It is now up to Mr. Hyde's committee. They will have to make a quick decision if they are going to meet their target of publishing guidelines in November.

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Decision Making and Problem Analysis, the London Hilton, October 8-7. Fee: £110 plus VAT. Details from The Inbucum Management Development Service, Knightsbridge House, 197, Knightsbridge, London, S.W.7.

Motivation and Incentives for the Middle Manager, Brunel University, Uxbridge, October 11-12. Fee: £115. Details from Management Programme, Brunel University, Uxbridge, Middlesex.

International Treasury Management, Royal Lancaster Hotel, London, October 11-12. Fee: £140 plus VAT. Details from Investment and Property Studies, Norwich House, Norwich Street, London, E.C.4.

Design—The Missing Sales

Factor, Queen Elizabeth Hall, London, October 26. Fee: £32. Details from Design and Industries Association, 17, Lawn Crescent, Kew Gardens, Surrey.

Marketing for Management Accountants, Cranfield School of Management, Bedford, October 10-14. Fee: £350. Details from Cranfield School of Management, Cranfield, Bedford.

Practical Pricing Policies, Princes Hotel, London, September 28-29. Fee: £95 plus VAT. Details from ASM, 565, Fulham Road, London, S.W.6.

Food Manufacture, Royal Lancaster Hotel, London, October 25-27. Fee: £105 plus VAT. Details from Conference Communication, Monks Hill, Tilford, Farnham, Surrey.

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Tuesday September 6 1977

Living up to the Summit

ONE OF THE achievements of the Downing Street summit last May was a commitment by those countries with the stronger economies—the U.S., West Germany and Japan—to relatively high growth rates and, more particularly, to take further measures in the course of this year if it appeared that the targets were not being met. The Americans especially were pleased with this monitoring arrangement, no doubt partly on the grounds that their own economic growth did not then seem in question. So, too, was Mr. James Callaghan, though on the rather different grounds that if economic growth faltered, any call for world reflation could be backed by reference to the Downing Street pledge.

Reflation

It was clear even at the time that the German commitment to a growth rate of nearly 5 per cent. was, to say the least, questionable. Some of the German economic institutes had already doubted whether even 4 per cent. was on. By now the Government has lowered its sights to around that level, and some non-official forecasts have fallen still lower. There has also been some shortfall in Japan—on a commitment to Downing Street to 6.7 per cent. to a more likely achievement of a little over 5 per cent. More recently, there have even been doubts about the U.S. The U.S. index of leading indicators, which has generally provided a reliable early warning system, fell in July for the third consecutive month. Although growth of 5.6 per cent. for the year as a whole should be attainable thanks to a strong first half, there must now be a question mark over the U.S. prospects for 1978.

It is incorrect to say, however, as Mr. Callaghan suggested in Scotland last Friday, that the subsequent performance of the stronger economies means that the Downing Street summit did not succeed. On the contrary, there is every reason to believe that the Germans and the Japanese take their growth commitments quite as seriously as Mr. Callaghan. Chancellor Schmidt, for example, cannot look forward to yet another

winter where German unemployment rises above the 1m. level. Nor does he require external pressures to persuade him to try to do something about it. All the signs are indeed that the German Government will reveal its reflation package around the middle of this month: the argument over the past few weeks has been only about what it should contain. It is much the same in Japan. The authorities have been talking about reflation all summer long. Some measures, including the cut in bank rate at the week-end, have already been taken, and a fuller package, concentrating on boosting the construction industry, is expected to be announced to-day. Both the Japanese and the Germans, besides, have allowed their currencies to appreciate, sometimes against their own better judgment.

Co-operation

How far these measures can be attributed to the undertakings given at Downing Street and how far they would have had to be taken in any case, of course, a moot point. But they do at least suggest that the habit of co-operation is growing. What matters now is that it should become a continuous process, and here it was one of the merits of the Downing Street agreement that it provided for some follow-up. The first post-Downing Street consultations took place at the OECD Ministerial session in June, but that was a bit early to seek new conclusions. A more important post-mortem is likely to come when high officials of the economic summit countries meet in Washington on the fringe of the annual IMF meeting later this month. That will be the time to exchange assessments of the performance since May, to discuss whether further measures are needed, and to look ahead to the future. In particular, officials might ask themselves whether their economic growth targets ought not to be more long term. In the meantime, there is nothing to be gained by recriminations of the "Germany should do more" variety. Mr. Callaghan might remember that when he goes to Bonn this week-end,

World trade and the U.K.

THE NEW SERIES of export sales, this measure ignores the and import ratios for the U.K. extent to which imports of the which are set out in this month's Economic Trends and are now to be published regularly are a considerable statistical feat, and one which has implications for policy, which are far from unimportant. For all the talk of import penetration and hesitant competitiveness in export markets—matters which are clearly of major significance for U.K. industry and employment, and which will become of major significance for the balance of foreign payments once again when the flow of oil from the North Sea begins to tail off—information on the subject has until now been surprisingly slight. It has become available only several years ago, the event and the categories of the industry to which it has been referred have been too broad to be of much practical value.

Even the new series, which are more up-to-date and detailed, involve such wide assumptions and so much estimation that the compilers modestly conclude that "the ratios are of rather limited use." They can be used to watch the progress of a particular industry over the years (provided that there are no major changes in the amount of re-exports) but they are of questionable use for making inter-industry comparisons. They are being published now, rather than after the introduction of further statistical refinements, because of their practical importance.

Winners and losers

There are four ratios compiled, two referring to imports and two to exports. The simple ratio of imports to home demand is that most commonly used to illustrate the degree of import penetration. Since international specialisation often implies a high level of both exports and imports, the ratio preferred here is that of imports to the sum of home demand and exports. Similarly, although export success or failure is commonly measured by the ratio of exports to total



Mr. Gerry Fitt: "Our fall-back... may be to stand aside and hand over to the men of violence"; Monsignor Tomas O. Flaich, new Primate of All Ireland, who is nationalistic; Mr. Jack Lynch, as the Republic's new Premier, the "man in the middle"; and Mr. Eddie McAteer, Planning the reincarnation of the Nationalist Party.

Mr. Fitt flexes his muscles

By GILES MERRITT, Dublin Correspondent

IT WOULD be interesting to catch a quick glimpse of the political memoranda which Mr. Roy Mason, the Northern Ireland Secretary, has been receiving while on holiday in the past few days from his senior civil servants at Stormont Castle. For the politics of the Catholic minority have begun to move fast and furiously towards a potentially dangerous nationalism. During 18 months Usher's affairs have been pushed far down the British Government's list of priorities, but now it looks as if the Province is moving up the agenda. Mr. Mason, unlike his predecessor Mr. Merlyn Rees, makes a point of not reacting openly to Usher's vagaries so it will be instructive to see how he responds to the dissatisfaction of the mainly Catholic Social Democratic and Labour Party.

Keeping Northern Ireland out of the headlines is one of Mr. Mason's primary responsibilities. From his and Mr. Callaghan's point of view successive British governments since 1968 have tried hard to engineer an Ulster solution and failed. The next best thing to solving the intractable problem, they have reasoned, is humane and constructive administration of the Province's affairs, in which economic management combined with damping down the security crisis would slowly take the heat out of Ulster. In Whitehall there are senior officials who have been advising that the present troubles will have run their course by next year or by 1979, and then the ten-year eruption of violence will relapse into stalemata.

That is a possibility, of course, for in Northern Ireland almost anything is possible. But at present it looks as if the strategy of direct rule is in trouble. It also looks as if the political assumptions of the past seven years—that an internal Six-County solution is feasible—are open to question. Since its

foundation in 1970 as a pro-power sharing party representing moderate Catholic opinion, the SDLP has been a remarkable stable factor in Ulster's shifting political scene. As the Unionist parties split and coalesced like busy amoeba the SDLP remained while and patiently negotiated for power-sharing. Now, "tired of hanging its head against a brick wall," as one prominent SDLP man recently put it, the party is swinging away from power-sharing. It is instead talking seriously of embracing an "Irish dimension," in which a constitutional settlement would be made in a 32-county all-Ireland context. An Irish dimension does not mean re-negotiation, but it does presuppose a degree of federalisation which would be totally unacceptable to the Protestants.

The SDLP's Executive has still formally to ratify the new Irish dimension policy, but it seems very much on the cards. Apart from anything else, the change in the SDLP rank-and-file's mood is symptomatic of nationalist trends which have been quietly making themselves felt throughout Ireland, on both sides of the border, all summer.

The crux of the matter appears to have been the resounding General Election victory won by Mr. Jack Lynch's Fianna Fail party in June. Since coming to power in early July, the new Dublin Government has been at pains to play down its stance on Northern Ireland, and in fact has so far avoided making any comment on the Ulster situation. But its October 1975 policy statement committing the party to calling on Britain for a declaration of intent to withdraw from Ulster in some future date has put new heart into Northern Catholics who have been despairing of their position.

Although Fianna Fail is traditionally the Republic's anti-partitionist party, Mr. Lynch must regret the October 1975 statement now that he is back in power. It was made in the hopes of short-term electoral

gain when his party was fighting a by-election in West Mayo and now is more of an embarrassment than his Government cares to admit. Mr. Lynch is adept at smart verbal footwork—known familiarly as "Lynch speak"—and has so far dodged any revealing discussion of his Ulster policies. He is, however, due to meet the SDLP leader in mid-September for his first formal renewal of contact and Mr. Callaghan on September 28 for their first bilateral discussions on Ulster since the Irish election.

Assuming that Mr. Lynch will be required to get down to straight talking at both meetings, he will face a tricky job if he is to satisfy both sides. Mr. Lynch, when in opposition, criticised British direct rule in Ulster as "a non-policy of drift." But if he champions the SDLP's new emphasis on an Irish dimension he risks damaging Anglo-Irish relations. There is also a sense in which Mr. Lynch must hunt with hounds and run with the hare, for while the SDLP quite legitimately looks to Flanna Fail as an ally that is almost bound to support its ambitions, the Dublin Government's security responsibilities must make it extra-cautious over any move that could be construed by Republicans as anti-British.

In short, the Party's return to office has introduced a new uncertainty into the Ulster question and in some Republican or Nationalist quarters is being used as a clarion call to action. In retrospect, it was inevitable because the defeated Fine Gael-Labour Coalition Government's policy was that Northern Ireland is a British matter, while Fianna Fail's basic approach is that it is at very least an Anglo-Irish one. The new mood is also likely to be underlined by the recent Papal appointment of Monsignor Tomas O. Flaich, a

native of Crossmaglen whose political views are unashamedly nationalist, as successor to the late Cardinal Conway as Archbishop of Armagh and Primate of All Ireland. The unsettling influence of a Catholic leader prepared unambiguously to ensure British actions should not be underestimated, as a number of Catholic churchmen have already begun to warn in private.

For some Catholics in Northern Ireland, the effect of these developments has been enough to rekindle outright nationalism. In Londonderry, the moribund and discredited Nationalist Party headed by Mr. Eddie McAteer has announced that it is planning its own re-incarnation. The as yet unofficially named "Green" party is hoping that it can cash in on dissatisfaction with direct rule, and Britain's failure to insist on power-sharing, to become a respectable party of re-unification. The feeling that more and more Catholic moderates are being pushed towards the idea of Irish reunification is also a major force behind the SDLP's much more important change of tactics. While the SDLP's downgrading of power-sharing should not be confused with support for reunification—the Irish dimension in fact harks back to the proposal at the Sunningdale Conference of a Council of Ireland—a number of SDLP leaders now insist that bringing Dublin into any solution is the only way to prevent discontented SDLP supporters from throwing in their lot with McAteer's Nationalists or even the Provisional IRA.

Clarion call to action

The SDLP is at present in a state of turmoil and with the party frantically insisting that its internal struggles are private matters, much of what is really happening must be speculation. It seems evident, though, that while Mr. Paddy Devlin and Mr. Ivan Cooper have split with their colleagues in the leadership over the Irish dimension policy, there is also a marked division between those in the

Unlock the impasse

Mr. Fitt was the late Lord Faulkner's deputy at the head of the short-lived 1974 Power-Sharing Executive which militant Protestants destroyed, and he would almost certainly welcome renewed British determination to institutionalise power-sharing. But many of his Party believe it has become a hopeless ambition and would rather throw the SDLP's weight behind an Irish dimension policy that would introduce the Irish Republic as a key element and so unlock the Ulster impasse. When Mr. Callaghan and Mr.

MEN AND MATTERS

Changing ways in Oxford Street

A further shot in the war against fringe operators in the bureau de change business was fired yesterday. Barclays have opened their first London bureau, which instead of keeping normal banking hours will be open from eight in the morning until ten at night, six days a week. Logically enough, the bureau is in that part of Oxford Street where the tourists are thickest, only a brief struggle along the pavement from Marks and Spencer and Selfridges.

The window is markedly unlike the decorous facade of the Barclays we are accustomed to: miniature blackboards have scrawled upon them in chalk the going rates for 14 leading currencies. John de Lannoy, accountant in charge of the bureau, says they will be replaced soon by the usual display board with plastic figures. He seemed rather sad about it, believing that the chalked prices give a sense of excitement and attract passers-by. Certainly, the customers were queuing up at the counter.

Barclays plan to open other bureaux soon; they have sites in mind around the West End. Clearly, the bureaux will be good business. Barclays say there is plenty of room in the field for the other clearing banks to follow suit. They accept that most of the 150 bureaux now operating in London are respectable enough, although rates and commission can be pretty flexible—but some are suspect. One Barclays spokesman even talked graphically of "mushrooming bucket shops."

Over at the Bank of England, which authorises bureaux de change to buy, sell and hold foreign currencies, its spokesman was far less ray in his firm. Woo also happened to be a seventh dan in the Korean version of karate. Quicker than



"How do we explain to Mr. Laker that all airlines are equal but some are more equal than others?"

you could be thrown on your back. Woo was teaching the martial arts all over Norwich. Such was his popularity that clubs were founded in the city's community centres. Woo has now gone back home, but the memory lingers on. Norwich even has a Korean takeaway restaurant.

Spudding out

Last year's potato famine has caused some soul-searching over in the Duchy of Luxembourg about index-linked wages. Potato prices were the main impetus for three quick increases—putting up the national wage bill by Frs.Lux.10bn. (about £161m.); that was somewhat heavy for a country with only 360,000 people, especially since those sought-after spuds only added a mere Frs.Lux.150m. to the national food bill.

So the little Grand Duchy's coalition Government is thinking about putting more goods in the basket in which the index is based. Then one element, such as those potatoes, will not weigh

so heavily. Luxembourg's witty chief de cabinet, 36-year-old Paul Helmingier, admits quite cheerfully that in his own experience an index-linked rise in salary has meant a higher income in real terms. With six children, a Morgan car and a certain style to maintain, he doubtless needs it.

Although the firmula may be modified, there is no question according to Herr Helmingier of Luxembourg's abandoning the index-linking principle. It gives a "realistic basis" for wage negotiations. Not that the Grand Duchy has much to worry about on that score: the last strike was in 1942—and that was against the Nazis.

Lost cue

Just as the political scene in Scotland is livening up again, with the devolution Bill due to be introduced into the Commons before the year end, the country's only political review has folded. A fortnightly called "Q" has found that a 1,500 circulation and negligible advertising could not cover costs. "It would have been different if we had had a government on our doorstep," said editor Peter Chiene yesterday. "There would have been much more interest if people had felt that decisions were being made in Scotland that actually affected them."

The final nail in O's coffin was the decision by the Scottish Arts Council not to give £10,000 for an arts supplement. Chiene feels the Council could feel about supporting a venture which could well have been construed as political. Although he tried to be a non-partisan editor, he is a member of the Scottish National Party; the front-runner to edit the literary supplement was an SNP parliamentary candidate.

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SOCIETY TO-DAY

Sir Keith and one-dimensional politics



Sir Keith Joseph: blamed for wrecking Tory understanding with the trade unions.

UNFORTUNATE Sir. To the Tory Reform Group. One of the things that troubled Joseph is in hot water however, Sir Keith's Thursday speech could not stand unreasonably, for what corrected. He must be off his head here in a classic case of head, they were reported as inadequacy of one saying. "It is time Mrs. Thatcher acted before the party is rightly tarred with the anti-union brush."

And the dimension that Sir Keith left out of his argument was that of justice. We all support the rule of law—Mr. Griffith, Sir Keith, and even one must suppose, Mr. David Steel (though his castigations of Sir Keith did not show any proper understanding of that particular dimension on the part of the leader of the Liberal Party).

In error

But that is only part of the story. There was initially an injustice at Grunwick: the mechanism of industrial relations was defective enough to lead to a long and bitter strike. Some of those strikers were students; they can be expected to pursue their studies and forget about their quarrel with the company.

The function of a court of inquiry, when both sides agree to be bound, wholly or substantially, by its findings, is to arbitrate and to seek a solution which will be reasonably acceptable. But when one side says in advance that it will not be bound, the function is quite different.

Thus while it is true that think in more than one dimension are welfare scroungers, and most non-politicians find it easy to do so. Take the Gallup Poll whose results were published in the Sunday Telegraph the day before yesterday. In answers to questions put at the end of August, not many weeks after the great disturbances and mass picketing outside the Grunwick factory, three-quarters of the population of people anxious to work, who cannot find jobs. The cost of welfare has come to exceed the willingness of the "general public" to pay for it, but that does not mean that the idea of people joining a picket line if they themselves are not employed by the company that is in dispute, is a speech against the moral foundation of both the welfare state and indeed socialism itself.

One-dimensional politics is the monopoly of the Thatcher wing of the Conservative Party or even of the Tories. Labour politicians are equally guilty; and one can think of a hundred examples to demonstrate as much. But for the Conservatives, who are trying to lead us in a new political direction, the lesson is especially important at the moment. The argument against the tyrannies of collectivism can never finally be won by those who will not, or cannot, appreciate the moral foundation of both the welfare state and indeed socialism itself.

Letters to the Editor

Pickings at Grunwick

Your editorial of September 2nd on the Grunwick dispute... I am not pro-Ward or anti-Ward; I am simply pro-law and wish the present Government would join me in making the law.

of mathematical modelling... The function of a court of inquiry, when both sides agree to be bound, wholly or substantially, by its findings, is to arbitrate and to seek a solution which will be reasonably acceptable.

the Heathrow maintenance... An excess wages tax on the workers themselves, though difficult and costly to administer, would at least be putting the penalty where the fault is sited.

National Bank merger

From the Chairman, National Giro Branch, Society of Civil and Public Servants. Sir, Bernard Studd (August 30), commenting on the State Bank proposals on behalf of the Department of National Savings...

To-day's Events

- Prime Minister's Conference on the State of the Nation... Mr. Kinnear Brewster, U.S. export finance discussion group... Mrs. Margaret Thatcher, Gov. Ambassador to the U.K., begins official visit to Scotland...

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Advertisement for Republic Bank of New York. Includes a table of assets and liabilities, and a large graphic of a man in a suit. Text: 'Our \$181,000,000 capital base is 10.4% of deposits - one of the best ratios among the top 100 banks.'

Upholding the law

From Dr. H. J. Campbell. Sir, may I add mine to the many voices that will surely be raised to echo the vitality of the opportunities dreamed-up, ferreted-out, deviously-negotiated, and by individuals playing their non-mathematical, non-predictive games?

Some simulationists have a saying: "If you have more than seven or eight independent variables, forget it, and play your bunched-up cards." In economics, a science and not a religion, the opportunities dreamed-up, ferreted-out, deviously-negotiated, and by individuals playing their non-mathematical, non-predictive games?

In Treasury language

From Mr. P. H. Acton. Sir, I have read with delight, amusement, admiration and concern Sam Brittan's article of August 25, and to-day, Paul Neill's response (August 31). As supreme examples of the effortless superiority of Balliol men (though I have no idea which seat of learning either of these illustrious gentlemen originally attended) they seem to me cannily only by the debate probably going on within the targets at which their shafts are aimed.

I suppose there is a case for taking on the Treasury, in Treasury language, on Treasury terms. It certainly makes good reading and gives great delight. The trouble is that it is so difficult to take it seriously. The difference between paper money and real money is that the former is a mere number on a page, while the latter is a real thing.

Tax on excess wages

From Mr. P. H. Acton. Sir, Mr. Scott's suggestion (August 30) of an excess wages tax to be imposed in the form of a fine on unions responsible for demanding pay rises in excess of some unspecified figure appears to relate to an industrial relations system other than our own.

Mathematical modelling

Dr. Stephen Castelli. Could Anthony Harris be viewed as the first tentative statement of some which some of us have begun to begin only tentatively to suspect—that, heresy of macro-economics is not a field of application, but a field of thought?

Mathematical modelling

Dr. Stephen Castelli. Could Anthony Harris be viewed as the first tentative statement of some which some of us have begun to begin only tentatively to suspect—that, heresy of macro-economics is not a field of application, but a field of thought?

Mathematical modelling... The trouble is that it is so difficult to take it seriously. The difference between paper money and real money is that the former is a mere number on a page, while the latter is a real thing.

Mathematical modelling

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Advertisement for Republic Bank of New York. Text: 'Our \$181,000,000 capital base is 10.4% of deposits - one of the best ratios among the top 100 banks. Republic National Bank of New York/Republic New York Corporation, Fifth Avenue at 40th Street, New York, N.Y. 10018.'

COMPANY NEWS + COMMENT

Electronics side lifts Decca to £15.9m.

INCLUDING EXPORTS OF £18.1m, against £19.1m, turnover of Decca advanced from £170m to £181.4m for the year to March 31, 1977, and pre-tax profits were up from £13.6m to £15.9m, after being virtually static at £5.5m, compared with £5.44m, at mid-way.

Full-year earnings are shown to be ahead from 29.5p to 35.4p per 25p share before special items and from 27p to 34.5p after such items. The final dividend is 7.6532p net for a 10.6532p (9.3382p) total.

The directors report that continuing the progress of recent years, profits from capital goods (navigator, radar, survey and other electronics) show an increase of 19.7% to £15.9m, compared with £13.6m, at mid-way.

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Company	Page	Col.	Company	Page	Col.
Amey-Roadstone	20	5	Randall (J. & R.)	21	3
Camrex Holdings	20	2	Revertex Chemicals	20	7
Crest Intl.	21	4	SEET	20	3
Decca	20	1	Shakespeare (J.)	21	5
Elec. & Indl. Secs.	21	2	Utd. British Secs.	21	4
General Engrs.	20	4	Wilkins & Mitchell	21	4
Leisure & General	21	1	Willows (Francis)	20	6
Pentland Inds.	20	4	Wood (Arthur)	21	1

summer goods £40.3m. (£43.9m.) U.K. turnover was £71.9m. (£87.1m.) comprising capital goods at £33.7m. (£39.2m.) and consumer goods at £3.06m. (£5.77m.).

Camrex ahead at midway

FIRST HALF 1977 taxable profits of paint manufacturers corrosion engineers and contractors Camrex (Holdings) rose from £10.5m. to £11.6m. on turnover of £13.08m. against £11.74m.

The directors say that the outlook remains difficult to predict but they are confident that the group can continue to expand by December 31, 1976, in accordance with its plan.

While the markets for records and TV remain depressed, large contracts for a wide range of electronic equipment ensure future growth in group turnover and profits, they add.

Overseas turnover including direct exports came to £109.5m. (£102.9m.) comprising capital goods £69.2m. (£59m.) and con-

term dividend is lifted from 1.47p to 1.64p net. Total for 1976 term loans of £120,000 (£170,000).

A prior year adjustment of £68,000 was made to reserves at the end of 1976.

First half upsurge by Pentland

FIRST-HALF 1977 turnover of Pentland Industries expanded from £5.48m. to £6.97m. and pre-tax profits jumped from £95,000 to £167,000. For all 1976 turnover came to £10.81m. and profits were £167,000.

Mr. Stephen Rubin, the chairman, says that all sections of the business are growing steadily and subject to any unforeseen events, the results of 1977 should show a further marked improvement in turnover and profits.

Pentland's principal interests are the importing and exporting of general merchandise and footwear, warehousing and distribution, manufacturing of homebrew concentrates, freight forwarding and insurance broking.

The interim dividend is lifted from 0.192p to 0.211p net. Last year's final payment was 0.41p.

As known, turnover expanded from £7.21m. to £9.06m. in the year to April 30, 1977, and pre-tax profits advanced from £419,815 to £862,322. The dividend is hoisted from 0.9p to 1.64p net, the maximum permitted on recovery grounds.

Mr. Mackenzie reports that at the start of the financial year business was good and this trend in both home and export markets continued throughout the year and is still continuing.

The satisfactory results have been helped by the progress of the programme of rationalisation, re-organisation and re-equipping of all the mills and also the reviewing of the home and export marketing policies.

Kenneth Mackenzie Holdings, the largest producer of Harris Tweed attained a record turnover and profit figure again increasing export turnover and is continuing to do well, particularly in the U.S. It has successfully completed its rationalisation programme and is currently installing a new boiler and steam generating plant at a cost in excess of £100,000 which will considerably improve efficiency.

Peter MacArthur and Co., continuing its strong marketing policy, again produced record turnover and profits with increased sales, particularly to the EEC countries. The company has a large order book and another set of satisfactory results is anticipated. MacArthur has undertaken a major rationalisation of its production processes within its major unit which was achieved with minimal disruption. This rationalisation included the introduction of new weaving machines and warping equipment at a cost in excess of £300,000.

Glen Cree, the Scottish company specialising in luxury mobil-

goods, had a very good year. With the likely prospect of more stable mohair prices, it is expected that exports will improve during 1978. The mill shop is attracting increasing trade and the garment manufacturing department continues to expand. A new extension to this unit has been completed and the company's overall order book is satisfactory.

Group exports increased from £2.87m. to £4.09m. with £1.95m. to the EEC, £0.71m. to the rest of Europe, £1.22m. to North America, £80,000 to Australasia, and £0.13m. to the rest of the world.

A statement of sources and application of funds shows a decrease in net bank overdrafts and short term loans of £120,000 (£170,000).

Meetings, Edinburgh on September 29 at 12.30 p.m.

Progress continues at SEET

The current year has started well for Scottish, English and European Textiles says Mr. J. H. Mackenzie, the chairman, and the trend is maintained. Then satisfactory results should again be achieved, he tells members in his annual statement.

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Glen Cree, the Scottish company specialising in luxury mobil-



Sir Edward Lewis, chairman of Decca—progress on capital goods side more than offset downturn in consumer division.

Amey Roadstone up £4½m.—to diversify

PRE-TAX profit of Amey Roadstone Corporation, a subsidiary of Consolidated Gold Fields, advanced for the year to June 30 1977 on turnover of £159.75m. against £145.86m.

The outlook for the current year continues to be dominated by the recession in the U.K. building and construction industry.

Increase by Willows Francis

Manufacturers and retailers of pharmaceutical products, Willows Francis lifted pre-tax profits from £230,660 to £243,191 for the year to June 30, 1977, with £143,774, against £90,918, coming in the first half.

After tax of £171,893 (£17,542) full year earnings are shown at 12.1p (12.6p) per 20p share. Comparatives have been restated following the change in basis of accounting for deferred tax. On the former basis earnings would be 10.7p (7.6p) per share.

The final dividend is 1.96648p net, lifting the total from 3.275p to 5.24148p.

The directors say they expect progress to continue in the current year.

There were improved results at home and overseas from the group's construction activities, the profitable disposal of ships

and a better performance by the transport companies.

In the light of recently issued accounting recommendations the accounts will show a very substantial release of provisions made in earlier years to reflect the fact that the deferred taxation liability is unlikely to materialise in full. The charge for tax on the profits for the year is also affected.

Although tonnages sold in the year were less than in 1975/76, some of the volume lost due to abnormal rainfall in the first half was later recovered due to increased demand. This enabled the group's mineral extraction and building materials operations to produce a strong second-half performance which contributed usefully to the increased profit.

These operations were also enhanced by the purchase of Charcon Pipes and assets from Francis Parker, it is stated.

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Revertex downturn in first-half

DESPITE AN increase in turnover from £10.08m. to £10.81m. pre-tax profit of Revertex Chemicals fell from £1.51m. to £1.57m. for the first half of 1977.

The interim dividend is held at 1.70p net per 25p share. Last year's total was 4.885p and pre-tax profits came to £3.3m.

Mr. E. F. Brookman, the chairman, says that the outlook for the remainder of the year does not give much cause for encouragement.

The four companies in the group suffered from further erosion of working capital needs. In these difficult conditions the group has achieved a record export sales. The newer, a feed products and activities also showing improved investment in them.

There were few surprises. Revertex's interim profit unchanged dividend is being given that last year's showed a comfortable margin more than 3. The reason, company's caution seems to be weak margins trends. The rise in working capital means more than wiped the benefit of volume increase between 5 and 10 per cent. (with the average later). Moreover the company has decided that as he reaches retirement age in mid-1978, he will relinquish the chairmanship on December 31, 1977 but will remain as a non-executive director until his retirement. Sir Campbell Adamson, who joined the board on January 1977 will succeed him as chairman.

Mr. Brookman says the increase in turnover was partly due to the inclusion for the first time of the sales of Procorite, Revertex Belgium, Max Adhesives and Sochimex.

While the directors do not expect any worsening of the position, they may have to wait until 1978 for a resumption of the growth trend. The chairman has decided that as he reaches retirement age in mid-1978, he will relinquish the chairmanship on December 31, 1977 but will remain as a non-executive director until his retirement. Sir Campbell Adamson, who joined the board on January 1977 will succeed him as chairman.

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ISSUE NEWS AND COMMENT

Two redeemable stocks from Islington

Arrangements have been completed for the issue by Islington Corporation of two different dated stocks involving a total of £22m. Some £10m. of 12½ per cent. Redeemable Stock 1983-84, will be issued at 89p net, together with £12m. of 12½ per cent. Redeemable Stock at 89p net.

Both stocks will be £10 per cent. payable on application with calls of £40 per cent. on October 7 and the balance on December 2. Interest is payable half-yearly with the first payment of £1.04 per cent. on the 12½ per cent. stock and £1.2951 per cent. on the 12½ per cent. stock both due on April 30, 1978.

Application lists close on Thursday, September 8 while the brokers to the issues are Sprague.

Harold Ingram

Exports a bright picture in a difficult year

Sales for the year to 30th April, 1977 were £8,041,370 against £6,549,821 and the profit before tax amounted to £415,669 compared with £448,399. Net dividends totalled 2.81p per share against 2.66p.

Commenting on results Mr. Ingram, the Chairman, said there had been a sudden, sharp drop in sales to U.K. outlets during the third quarter of the year and the trend accelerated in the final quarter. The explanation appeared to be in the savage squeeze on disposable incomes plus very poor weather conditions which severely affected the sale of summer merchandise.

He continued: "Exports present a brighter picture, increasing from £694,272 to £1,168,178. Forward orders for overseas are 2½ times the Sterling value of those we had at this time last year. In the hope of stimulating these still further, we shall shortly open an office in West Germany."

Designers & manufacturers of knitted garments

CELESTION INDUSTRIES

Mr. D. D. Pynn (Chairman) reports on the year ended 1st April, 1977.

- * **TURNOVER INCREASE**
From £8,729,400 to £12,389,000.
- * **EXPORTS INCREASE**
From £1,976,000 to £3,348,000.
- * **PRE-TAX PROFIT £1,093,416**
- * **DIVIDEND 8.58%**
(Maximum permitted)
- * **FUTURE**
Overseas Subsidiaries formed in France, West Germany and U.S.A. expected to make growing contribution.

Copies of the Report and Accounts may be obtained from the Secretary.

Celestion Industries Limited,
130 Mount Street, London, W1Y 5HA.
Telephone: 01-499 5641

AURORA

FIRST HALF RISE

IN SALES AND PROFITS

	6 months to 30.6.77	6 months to 30.6.76	18 months to 31.12.76
	£'000	£'000	£'000
Turnover	13,517	10,240	28,382
Trading profit before interest	1,381	1,116	2,996
Profit before taxation	1,060	955	2,387

Mr Robert Atkinson, Chairman, reports:

- * Sales and trading profit increased over 1976 by 32% and 24% respectively.
- * Rights issue of 1 for 4 ordinary shares to raise £1,077,000, successfully completed—June 1977.
- * Agreed bid made for the issued share capital of Coltness Group Limited—August 1977.
- * Ordinary interim dividend increased to 1.32p per share net payable 30 November 1977 to shareholders on the register at 2 November 1977.

AURORA HOLDINGS LIMITED
Aurora House, 61 Manchester Road, SHEFFIELD S10 5DY

General Engineering optimistic

In his annual statement, Mr R. B. Ogden, the chairman of General Engineering Company (Reading) says that with order levels continuing to rise and with the group's new product developments, the future looks very promising.

As known sales rose from £11m. to £14m. in the year to March 31, 1977, but profits fell from £1.04m. to £0.51m. before tax.

Mr. Ogden tells members that results do not reflect the progress and consolidation achieved during the year. Development expenditure, all written off, was much higher than usual and delay in the placing of a number of large orders reduced activity for a period during which the full labour force was maintained at a very heavy cost.

The directors estimate the group needs to improve efficiency by a further 15 to 20 per cent. per annum to retain its position in the markets most important to it. The necessary improvements are already planned through method changes and investment. In order to match the best conditions overseas, an overall improvement in real terms of some 60 per cent. in output per employee is required.

The U.S. and Italian subsidiaries have continued their progress and the newly formed French subsidiary has made a very promising start. Germany has shown some improvement but considerable further growth is needed there. Forward requirements in all these areas are good, and the group is also re-entering certain areas of Eastern Europe which were partially closed to it for some time due to the unsatisfactory financial terms involved in relation to the cash resources then available.

Exports from the U.K. including transfers to overseas subsidiaries totalled £8.52m. (£5.07m.) distributed as follows: EEC 9 (27) per cent. other European countries 31 (124) per cent. Australasia 14 (12) per cent. N. America 5 (8) per cent. Middle East 20 (3) per cent. Africa 8 (14) per cent., and other 9 (13) per cent.

Mr. Ogden is to retire as chairman and will be succeeded by Mr. B. K. Bickland.

Meeting, Radcliffe on August 31 at noon.

ROSEHAUGH JUMPS TO £64,650

Revenue of Rosehaugh Company for the year to June 30, 1977, jumped from £15,465 to £64,650 subject to tax of £32,959 against £9,886.

Earnings are shown as 2.08p (0.3701p) per 25p share and the dividend is increased from 0.1p to 0.61p net.

Lynton Holdings

Distributable profits £470,000—up 53%

Dividend 11.3%—up 10%

Earnings per share—5.35p from 3.51p

Shareholders funds £15.9 million

Investments in excess of £40 million

from £10.8 million

Maurice Lambert, Chairman

Copies of the full 1976/77 Report and Accounts are obtainable from 1/2 Masons Arms Mews, Maddox Street, London W1R 0JY.

Cement-Roadstone

IRELAND'S LARGEST INDUSTRIAL COMPANY

INTERIM STATEMENT

	28 weeks to 13 July 1977	28 weeks to 14 July 1976	Increase %
Sales	£68.6m	£55.8m	+23
Pre-tax Profit	£ 6.6m	£ 5.5m	+19.8
Earnings per Share	4.71p	3.94p	+19.5
Dividend per Share (Net)	1.95p	1.4625p	+33.3

"Encouraged by upturn in confidence that good economic growth can be achieved in Ireland, we expect reasonable improvement on last year's pre-tax profit of £11.66m."

Copies of the Interim Report may be obtained from the Secretary, P.O. Box 101, 19 Lower Pembroke Street, Dublin 2.

Cement-Roadstone Holdings Limited

July 1977

Advance to £0.93m. by Leisure & General

FINANCIAL TIMES Tuesday September 6 1977

Leisure & General has announced a dividend of 5.5p, an advance on the 5.0p paid last year. The company's turnover for the year ended 31st March 1977 was £22.45m, an increase of 28% on the £17.55m of 1976. The dividend is payable on 15th September to shareholders on the register as at 30th August 1977.

The company's profit before tax for the year was £2.136m, an increase of 28% on the £1.68m of 1976. The dividend is payable on 15th September to shareholders on the register as at 30th August 1977.

BOARD MEETINGS

The following companies have notified their shareholders of board meetings to be held on the dates shown. Such meetings are usually held for the purpose of considering the accounts and recommending a dividend. The dates shown below are those of the meetings of the boards of directors of the companies concerned.

Monday, September 5

British Overseas Airways Corp. 10.00 a.m.

British Telecommunications Plc. 10.00 a.m.

British United Assurance Co. Ltd. 10.00 a.m.

British Waterways Board. 10.00 a.m.

British Wool Textiles Ltd. 10.00 a.m.

British Wool Textiles (No. 2) Ltd. 10.00 a.m.

British Wool Textiles (No. 3) Ltd. 10.00 a.m.

British Wool Textiles (No. 4) Ltd. 10.00 a.m.

British Wool Textiles (No. 5) Ltd. 10.00 a.m.

British Wool Textiles (No. 6) Ltd. 10.00 a.m.

British Wool Textiles (No. 7) Ltd. 10.00 a.m.

British Wool Textiles (No. 8) Ltd. 10.00 a.m.

British Wool Textiles (No. 9) Ltd. 10.00 a.m.

British Wool Textiles (No. 10) Ltd. 10.00 a.m.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Transport Dev. Austr.	5.25p	Oct. 19	5.00	10.25	9.50
Camrex	1.98	Nov. 14	1.47	3.45	3.24
Elect. and Ind. Res.	7.85	Jan. 3	6.84	14.69	13.64
Leisure and General	0.93	Nov. 11	0.8	1.73	1.53
Peatland Inds.	0.21	Nov. 1	0.19	0.40	0.36
Reverber Chems.	1.72	Nov. 14	1.76	3.48	3.24
J. Shakespeare	0.72	Oct. 1	0.65	1.37	1.27
Wilfrid Frankel	2.00	Nov. 14	1.70	3.70	3.28

Wilkins & Mitchell sees second half recovery

IN HIS annual statement, Mr. Wilkins, chairman of domestic appliance and machine tool manufacturers, Wilkins & Mitchell, says that the directors look to the second half of the financial year to make real improvements.

A known group incurred a reduced pre-tax loss of £21,000, against £1.5m, for the year to April 2, 1977.

The trading loss of £370,000 (£1.26m) in the main resulted from a considerable loss sustained by the Australian subsidiary which amounted to the interim stage to £600,000 and for the full year totalled £712,000. A substantial reconstruction of the Australian subsidiary and its management has taken place and, though trading conditions remain difficult, the losses have been contained and the position stabilised.

J. Randall up £0.24m. midterm

INCLUDING PROFIT on sale of investments of £266,004 against £107,177 and other income, pre-tax profits of J. and L. Randall, the toy and games group, for the first six months of 1977 advanced to £700,831, compared with £550,277.

Turnover was ahead of target at £794,931. Provided that previous expectations of a rise in the price of toys materialise in time to benefit the company's Christmas trade, its present rate of trading profit increase should be maintained for the full year. Profit for all of 1976 was £1.45m.

After six months tax of £314,261 (£267,254) earnings are shown as £436 (£309) per 10p share. Last year's dividend was 1.3138p net.

Nelson David turns in £68,137

Despite a second-half downturn of £2,959 to £20,603 repair and repair Nelson David reports a rise in taxable profits of £68,137 compared with £45,112, which included an exceptional credit for 1975-76 of £10,942.

Turnover for 1976-77 was ahead of target at £735m. After tax profits of £42,500 (£30,000) earnings per 5p share are shown as 0.83p (0.32p) before extraordinary items. Again there is no dividend; the last paid being 0.5p in 1971-72.

There was an extraordinary debit for the period of £23,000 which was a provision against costs and penalties arising from a prosecution of a subsidiary company and one of its officers.

The attributable loss came out at £2,959 (profit £18,133). Interest charge for the year was £137,448 (£124,073).

G. R. FRANCIS GROUP LIMITED

Profit improvement continues... 28% up on last year

Year ended 31st March	1977	1976
Sales	£4,224,677	£4,101,648
Net profit before tax	£241,136	£188,717
Proposed dividend per share	3.537p	3.167p
Earnings per share	6.5p	4.4p

Review by the Chairman Mr. G. R. Francis

The building industry, as I am sure everyone is aware, is experiencing the worst trading period known since the war. Despite this, I am delighted to report that the Group trading profit in the year ended 31st March 1977 was £241,136, an increase of 28% compared with the previous year. Your Directors propose to raise the dividend by the maximum amount permitted to 3.537p per share.

Although it would be imprudent to forecast the current trading year, lower interest rates and mortgage rates should lead to an improvement in the building industry.

Heating and Plumbing Merchants BIRMINGHAM

MACARTHYS PHARMACEUTICALS LIMITED

Highlights from the Annual Report for the year ended 30th April, 1977

	1977	1976	1975	1974
in £000's				
Sales	73,969	60,177	46,139	36,839
Pre-tax Profits	2,850	2,478	1,607	1,447
Margin on Sales %	3.9	4.1	3.5	3.9
Ordinary Dividend — net each 20p share	3.9p	3.5p	3.0p	2.6p
Earnings per 20p Ordinary Share	20.4p	20.2p	11.1p	15.6p

"...I have every reason to expect that the Group will continue to prosper in the coming year. We have a wide spread of interests, excellent staff... and the ability to react quickly to changing market conditions" — Sir Hugh Linstead, O.B.E., Chairman.

Copies of the Report and Accounts are now available from the Secretary, 185/7 HIGH ROAD, CHADWELL HEATH, ROMFORD RM6 6NR

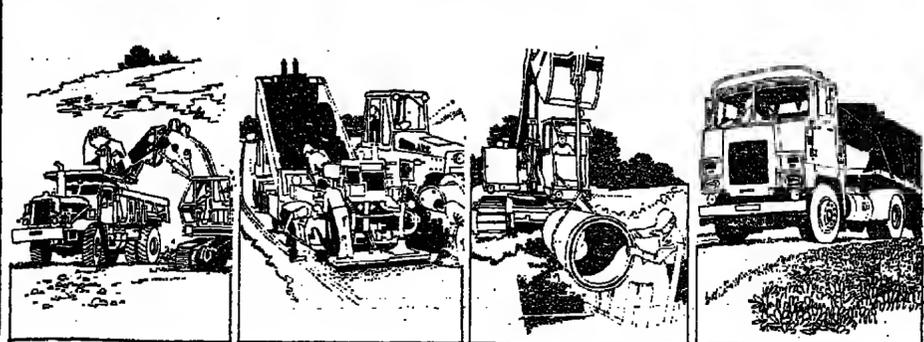
AMEY ROADSTONE CORPORATION LIMITED PRELIMINARY STATEMENT

	Year to 30th June 1977	1976
Turnover	£7000	£7000
	159,751	145,559
Margin on trading	26,045	22,404
Depreciation and depletion	7,327	7,449
Operating surplus	18,718	14,955
Less: Interest	1,813	1,938
Profit from Amey Roadstone Corporation operations	16,905	13,017
Dividends received	1,227	600
Profit before taxation	18,132	13,617
Taxation—current year	5,434	7,217
—prior year	(70)	(10)
	5,364	7,207
Profit after taxation	12,768	6,410
Extraordinary losses on disposal of subsidiaries	—	517
Minorities	8	—
Dividends	7,810	5,705
Retained	4,950	796

This statement deals with the results of the group in respect of the year to 30th June 1977. Comparative figures are shown for the previous year.

Although tonnages sold in the year to 30 June 1977 were less than in the previous year, some of the volume loss due to abnormal rainfall in the first half of our financial year was later recovered due to increased demand. This enabled the group's mineral extraction and building materials operations to produce a strong second half performance which has contributed usefully to the increased pre-tax profit of £18,132,000. These operations were also enhanced by the purchase of Charcon Pipes Limited and assets from Francis Parker Limited.

The increased profits for the year also reflect improved results at home and overseas from our construction activities, the profitable disposal of ships and better performance by the transport companies.



Arthur Wood head and confident

Arthur Wood and Son (Leamport) reports a rise in taxable profits of £68,137 compared with £45,112, which included an exceptional credit for 1975-76 of £10,942.

Turnover for 1976-77 was ahead of target at £735m. After tax profits of £42,500 (£30,000) earnings per 5p share are shown as 0.83p (0.32p) before extraordinary items. Again there is no dividend; the last paid being 0.5p in 1971-72.

EIS little changed at halfway

IN SPITE of the problems encountered at the group's main operating units, pre-tax profits of Electrical and Industrial Securities show a marginal rise from £23,200 to £22,500 for the first half of 1977.

Mr. M. Q. Walters, the new chairman, says that the possibility of pay disputes through a shadow strike which the growing size of the Motor Inn chain could bring about in the fifth August profits but only if there is no operation on wage guide lines and if the group's works and those of its principal suppliers are free from interruption to production.

Home Money Market Moderate help

Bank of England Minimum Lending Rate 7 per cent. (since August 12, 1977)

There was evidence in the observations to indicate that a similar policy is being pursued by the authorities to keep the money market in short circulation. The day-to-day credit was in short supply, but the overnight rate was held at 6-7 per cent. for secured call loans at the start and closing balances were taken at 6-6 per cent.

Wheeler's Restaurants Limited SET FAIR FOR CONTINUED GROWTH

It gives me great pleasure to report a record trading profit of £528,807 for 1976/7, our 9th year as a Public Company.

To achieve record results a very good staff and first class management is needed and we are very fortunate in having both, remembering that we have served over 50,000 extra customers during the year.

	1977	1976
Group Turnover	£4,354,962	£3,357,953
Group Profit	£528,807	£372,334
Group Profit after Tax	£244,724	£171,602
Dividends per share	4.39p	3.99p
Earnings per share	18.49p	13.10p

- Wheeler's Restaurants:**
- Wheeler's Old Compton Street, W1.
 - Wheeler's Duke of York Street, SW1.
 - Vendome Duvor Street, W1.
 - Carafé Lovendon Street, SW1.
 - Antoine Charlotte Street, W1.
 - Briganza Fifth Street, W1.
 - George & Dragon Brompton Road, SW2.
 - The Above High Street, Kensington, W8.
 - The Sovereign Hertford Street, W1.
 - Wheeler's City Wheeler's City, E1.
 - Wheeler's Fenchurch Fenchurch Street, EC3.
 - Wheeler's Brighton Brighton.
 - Sheridan Brighton.
- The Company also owns:
- Golden Galleon Saaford, Sussex.
 - The Sheraton Hotel Brighton.

Utd. British Secs. hopes to pay more

Sir Geoffrey Kitchen, chairman of Utd. British Securities Trust, says in his annual statement that dividends as the company's North American investments showed a more satisfactory rate of increase during 1976/77. These trends are continuing, he says, and the directors hope to increase the ordinary share dividend for the current year.

Crest Intl. cuts loss

Crest International Securities reports a reduced loss before tax for the year ended March 31, 1976, of £43,631 compared with £434,967 for the previous 18 months. The attributable loss for the year came out at £188,787 against £1.42m—0.01p (14.3p) per 10p share. Accumulated losses as at March 31, were £1.33m (£1.25m.).

The directors state that the results for the year under review are prior to the capital reconstruction of the company which took place on June 11, 1976.

Amey Roadstone Corporation Limited PRELIMINARY STATEMENT

Inflation has continued at a high level, and it must be recognised that profits are struck after making provision for depreciation of only the historic cost of plant and machinery.

The outlook for the current year continues to be dominated by the recession in the UK building and construction industry, but the group is seeking to expand and diversify its operations to counterbalance this trend.

The policy of accounting for taxation has been changed in the light of recently issued accounting recommendations. In consequence the accounts will show a very substantial release of provisions made in earlier years to reflect the fact that the deferred taxation liability is unlikely to materialise in full. The charge for taxation on the profits for the year is also affected.

Interim dividends totalling £7,810,000 have been declared by the board, leaving profits retained in the group of £4,950,000.

Amey Roadstone Corporation Limited 15 Stanhope Gate, London W1Y 6AB. 01-499 3611

BIDS AND DEALS

Charringtons agrees to Coalite counter-bid

COALITE AND CHEMICAL, the UK's biggest manufacturer of solid rocket fuel, has announced it has accepted a counter bid for Charringtons Industrial Holdings in the light of opposition to the rival offer from Laird Group by the Charringtons Board.

Approach to TPT by major U.S. holder

TPT, the paperboard and plastics packaging company, has received an approach from its major shareholder Sonoco Products of the U.S., which may lead to an offer for the shares not already owned by Sonoco.

MINING NEWS

Uranium sales freeze wounds Eldorado

THE CANADIAN Government's freeze on uranium exports to EEC countries and Japan has caused a sharp reduction in the half-year net profits of the state-owned mining, processing and refining group, Eldorado Nuclear.

Derritron puts up £1m. for BEC

Derritron, which is 78.6 per cent owned by Amalgamated Industries, is making an offer of 25p in shares or 24p in cash a share for British Electronic Controls, three or whose directors with the support of major shareholders had previously bid 23p a share in cash.

The share offer of seven Derritron shares for every four BEC shares values BEC at £1,07m, and the cash offer at £930,000. Accepting holders of BEC will retain the interim dividend of 0.9p but the new Derritron shares will not be entitled to an interim dividend of 0.6p payable in January.

Tin projects launched in Malaysia

TWO LONDON mining groups, Rio Tinto-Zinc and Gopeng Consolidated, are to take part in new Malaysian tin projects under the provisions of Malaysia's New Economic Policy.

ROUND-UP

The acquisition of the Aberfoyle tin mines last October enabled Abminco of Melbourne, the company formerly known as Cleveland Tin, to record a net profit of \$41.3m (288,640) in the six months to June, compared with a loss of \$433,000 in the first half of 1976.

MINING BRIEFS

PAHANG CONSOLIDATED, owner of the Pahang tin mine, has sold for August 17 tonnes (375 tonnes).

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on September 5, 1977. In some cases rates are nominal. Market rates are the average of buying and selling rates in some cases they are shown to be otherwise.

Table with columns: Place and Local Unit, Value of £ Sterling, Place and Local Unit, Value of £ Sterling, Place and Local Unit, Value of £ Sterling. Lists various countries and their exchange rates.

EEC investigates City foreign exchange dealers

BY MICHAEL LAFFERTY, CITY STAFF

THE EUROPEAN Commission confirmed yesterday that it has given the British Bankers Association and the London Foreign Brokers Association (LFB) a three weeks deadline to answer complaints that they operate restrictive agreements contrary to EEC anti-cartel regulations.

HUDSON HAS 11% OF PLEASURAMA

Williams Hudson announced yesterday that it had increased its stake in Pleasurama to 11.46 per cent.

TH/BEAVERBROOK

Acceptance of the offer for Beaverbrook shares, Preference shares, already owned have been received in respect of 1,394 shares that class, the offer has been declared unconditional and the shares remain open until further notice.

MINING SUPPLIES LIMITED

(Designers and manufacturers of mining machinery, forgings and castings)

Record of Growth

Table with columns: Year, Sales £000s, Pre-tax Profit £000s. Shows growth from 1973 to 1977.

The growth being achieved is the result of planned investment in capital equipment, factory space and land and also heavy investment in research and development which will give us the opportunity for continued growth especially in the coal mining industry.

We are now getting firm enquiries and orders for our equipment from overseas customers and we look forward to this demand increasing.

The group as a whole is very active and we look to the future with a great deal of optimism.

A. Snipe, Chairman and Managing Director

Application was made to the Treasury for an increase in dividend to 1.5p but was limited to 1.1p per share in accordance with the current legislation.

RHEEM/REDFEARN

Replying to the rejection by the Redfearn directors of the Rheem offer, the Rheem chairman tells Redfearn holders: "Our financial advisers, Morgan Grenfell and Company, share our view that our proposals are highly advantageous to shareholders and provide you with an opportunity to realise a value for your shares that are acquired by Rheem substantially higher than has been possible in the past or, in the absence of an offer, is likely in the foreseeable future."

CORN EXCHANGE

Further to the announcement that Mr. R. A. Brierty, chairman of Brierty Investments, was negotiating for the purchase of 341,200 Corn Exchange Ordinary shares, the CE Board states that it has been informed by Grindlay Brants that these shares have now been purchased by Grindlay Brants.

KAISER DELAYS COAL PROJECT

The Vancouver group, Kaiser Resources, has been foiled in its attempt to develop a new metallurgical coal deposit in

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All of these securities have been sold, this announcement appears as a matter of record only.

New Issue / August, 1977

\$150,000,000

Manufacturers Hanover Corporation

8 1/2% Sinking Fund Debentures Due August 15, 2007

Interest payable February 15 and August 15

Table listing various countries and their exchange rates for the Hanover Corporation issue.

- List of financial institutions: Salomon Brothers, Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith, Blyth Eastman Dillon & Co., The First Boston Corporation, Dillon, Read & Co. Inc., Lazard Freres & Co., Loeb Rhoades & Co. Inc., Smith Barney, Harris Upham & Co., Bache Halsey Stuart Shields, Donaldson, Lufkin & Jenrette, Drexel Burnham Lambert, Hornblower, Weeks, Noyes & Trask, E. F. Hutton & Company Inc., Keefe, Bruyette & Woods, Inc., Kidder, Peabody & Co., Kuhn Loeb & Co., Reynolds Securities Inc., M. A. Schapiro & Co., Inc., Warburg Paribas Becker, Wertheim & Co., Inc., White, Weld & Co., Bear, Stearns & Co., L. F. Rothschild, Unterberg, Towbin, Shearson Hayden Stone Inc., ABD Securities Corporation, Basle Securities Corporation, Daiwa Securities America Inc., EuroPartners Securities Corporation, Robert Fleming, Kleinwort, Benson, New Court Securities Corporation, The Nikko Securities Co., Nomura Securities International, Inc., Scandinavian Securities Corporation, SoGen-Swiss International Corporation, UBS-DB Corporation, Yamaichi International (America), Inc.

Thomas Cook Bankers

Thomas Cook Travellers Cheques

The accepted name for money. Worldwide

Vertical advertisement on the right edge of the page, partially cut off, mentioning 'Insurance for government' and 'Fare cost expected'.

HOME NEWS

Government urged to slow Sea oil plan for 20 years

DAFTER ENERGY CORRESPONDENT... GOVERNMENT has been urged to slow down its plan to develop North Sea oil for 20 years... The report of the working party... One of the most disturbing features of the present industrial scene is the fact that large industrial steam boilers are still being converted to natural gas... While this action was understandable in view of some very favourable gas contracts, it was not in the national interest... Other points raised in the report are: Financial inducements in the form of capital expenditure allowances, loans on preferential terms or the imposition of a tax on the production of gas... There should be a firm commitment to a steady programme of nuclear installation... Greater emphasis should be laid on conservation research and development... The working party on alternative and renewable energy sources reported that the prospects for solar heat and photovoltaic power had been underestimated... A permanent national energy co-ordination body, largely dependent on the various fuels industries, should be set up... The alternative energy sources (nuclear, wave power, wind power, tidal power and fusion energy) should be as far as practicable displaced fossil-fuel for electricity production... There should be a firm commitment to a steady programme of nuclear installation... Greater emphasis should be laid on conservation research and development... The working party on alternative and renewable energy sources reported that the prospects for solar heat and photovoltaic power had been underestimated... A permanent national energy co-ordination body, largely dependent on the various fuels industries, should be set up... The alternative energy sources (nuclear, wave power, wind power, tidal power and fusion energy) should be as far as practicable displaced fossil-fuel for electricity production...

Council plan is 'madness'

AN ECONOMIC plan prepared for Strathclyde Regional Council is "madness," a Scottish National Party leader claimed yesterday... Mr. Gordon Murray, leader of the SNP group in the council, said the plan would create an economic and social wilderness... It proposed to reduce the amount of land zoned for industry from 8,100 acres to 2,700 acres at a time when unemployment was at its worst level for 40 years... According to the report, a further 142,000 jobs could be lost in the Strathclyde region by 1983... More than 80,000 of these were in the central Glasgow area, 25,000 in North Lanarkshire and 30,000 in Ayrshire... Mr. Murray said the plan also proposed to stop people who lived in Glasgow from moving to new towns... The population of the new town of East Kilbride, which stood at 83,400 a year ago, would be cut to 75,500 by 1983... "This report has no humanity," said Mr. Murray. "It is a blueprint for disaster. The majority of Labour councillors have not even read the plan in detail and understood its implications."

FINANCIAL TIMES BRACKEN HOUSE, 10, CANNON STREET, LONDON EC4A 3DF Tel: Editorial 56341/2, 563897 Advertisements: 563033 Telegrams: Finantim, London PS1 Telephone: 01-248 8000 For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 01-248 8026. INTERNATIONAL AND BRITISH OFFICES EDITORIAL OFFICES Manchester: Queens House, Queen Street. Tel: 061-834 9281 New York: 75 Rockefeller Plaza, N.Y. 10019. Tel: (212) 541 4825 Paris: 36 Rue du Sentier, 75002. Tel: 236.84.44 Rome: Via della Mercanzia 55. Tel: 678 3314 Stockholm: c/o Svenska Dagbladet, Raalamstegsgatan 7. Tel: 17603 Tel: 50 60 85 Tehran: P.O. Box 11-1879. Tel: 682898 Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Tel: 21704 Tel: 241 2921 Washington: Second Floor, 1225 E. Street, N.W., Washington D.C. Tel: 449225 Tel: 202 347 8676 ADVERTISEMENT OFFICES Leeds: Permanent House, The Headrow. Tel: 0532 434969 Manchester: Queens House, Queen Street. Tel: 061-834 9281 New York: 75 Rockefeller Plaza, N.Y. 10019. Tel: (212) 549 8300 Paris: 36 Rue du Sentier, 75002. Tel: 236.84.44 Tokyo: Kasahara Building, 1-6-10 Yamanote-ku, Chiyoda-ku. Tel: 327104 Tel: 295 4150 SUBSCRIPTIONS Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription Department, Financial Times, London.

Leader of Communist Party dies

IN GOLLAN, former Secretary of the Communist Party in London, died yesterday, aged 86. A statistical survey of the Party's membership in 1966 to 1973, had been a treatment for lung cancer... Mr. Gollan was general secretary of the Party from 1966 to 1973... He was a member of the Party's executive committee and was also a member of the Party's central committee... He was a member of the Party's central committee and was also a member of the Party's central committee...

Insurance groups attack plan for government controls

PROPOSALS that the investment of insurance funds should be subject to Government direction were attacked yesterday by the British Insurance Association and the three life associations... The proposals to be put before the Labour Party's annual conference are rejected by the associations on five main grounds... Firstly, they say that policyholders' funds could be diverted for political reasons into unprofitable ventures favoured by a particular Government... They argue that the savings of millions of ordinary people would be jeopardised... The erosion of confidence within Britain would extend abroad and adversely affect the £450m of foreign currency earned by the British insurance industry... A spokesman for the associations said: "Millions of policyholders should be under no illusions as to the full implications of these Labour Party proposals... It is they who will be the losers because it is their savings which will suffer if politicians gain the power to direct the financial institutions where and when to invest."

Fare concessions for elderly expected to cost £76m.

THE TOTAL cost to local authorities in England and Wales of bus fare concessions for the elderly, blind and disabled is expected to amount to £76m for the last financial year... A survey published by the Department of Transport, based on data collected in August 1976, shows that the increase is unlikely to be so great in the current financial year... When the survey was made, the financial climate had led 19 authorities to defer plans to improve or introduce new schemes, and a further 13 had planned savings... Only six were planning concessionary schemes... The 8.5m people over pensionable age in England and Wales, 7.8m (90 per cent.) lived to local authority areas offering some sort of concession, and 5.1m were reported to have taken advantage of the offer... Many of those enjoying more generous schemes lived in the cities... Expenditure by the Greater London Council and the metropolitan authorities averaged £18.50 per elderly person, while that by the non-metropolitan and Welsh authorities averaged £4.25.

£50,000 scheme to beat bus and train cheats

LONDON TRANSPORT is introducing a £50,000 identity card scheme for some season ticket holders to cut down on fraudulent travel... It expects to recover its outlay within a few weeks... The scheme will cover red bus passes, monthly and annual Go-As-You-Please tickets and the combined bus and tube tickets, which are used by more than 100,000 passengers a year... It will be applied to regular underground season tickets... From September 11 people renewing tickets, or buying one for the first time, will have to supply a passport-type photograph which will be copied onto photocard... Ticket and photocard will have identical numbers and be inserted into a single plastic wallet... London Transport said yesterday the scheme was similar to systems already in use in other large British cities... It estimated that dishonest travellers on the tube cost it £6m a year in lost revenue... No figures were available for bus losses.

PENTLAND INDUSTRIES LIMITED STEADY GROWTH CONTINUES

	Six months ended 30.6.77 (£000)	Six months ended 30.6.76 (£000)
Revenue	30,677	30,678
Operating profit	6,970	5,484
After tax profit	167	95
Dividend	0.21p	0.19p

Chairman, Stephen Rubin

Actions of our business are growing steadily and that, subject to any unforeseen events, results for 1977 will show a further marked improvement in turnover and profits.

COSSFRIARS TRUST LIMITED Financial Statement for year to 30th June

	1977	1976
Revenue before Tax	£592,061	£455,347
Dividends per Ordinary Share	3.44p	2.74p
Dividend per Ordinary Share	3.30p	2.60p
Asset Value per Share	95.05p	77.70p

Value of Investments £9,625,384

Manager

INVESTMENT TRUST SERVICES LIMITED

Courts (Furnishers) Limited

	1977	1976
Revenue (incl. VAT)	£47,345,000	£40,068,000
Operating Profit	£2,780,000	£7,014,000
Profit before Taxation	£4,871,000	£4,842,000

Over 100 stores worldwide

Minister's U.S. investment bid

By Ray Perman, Scottish Correspondent

MR. RUCIE MILLAN, Secretary of State for Scotland, is to visit New York, Chicago and Cleveland next week to try to encourage U.S. investment in Scotland... The Scottish Office said yesterday that he would be stressing the high level of public spending in Scotland, the Government's commitment to reduce inflation and build up the economy and its determination to see Britain remain united.

Cross-Channel fares reduced

CROSS-CHANNEL fares for cars were reduced on Townsend Thoresen routes yesterday with the introduction of the company's autumn tariff... Lower rates for its camping, caravan and chalet hire services also take effect this month... Services for a medium-size car vary according to route, from £8.40 to £16 return compared with peak prices... Chalet rentals at the company's Belgian holiday village are cut by up to £6 per night and hire charges for caravans and camping equipment come down by a third... Last year Townsend Thoresen carried nearly 23m passengers and 800,000 cars on six routes.

Shop campaign

SWEDEN is trying to attract shoppers from as far away as France, Sweden and Germany... Pamphlets in six languages are being distributed to show visitors where the main shops are in Ipswich, which is served by shipping links between Felixstowe and the Continent.

All these securities have been sold. This announcement appears as a matter of record only. August 25, 1977

480,000 Shares

Moran Bros., Inc.

Common Stock

Smith Barney, Harris Upham & Co. Underwood, Neuhaus & Co. Bache Halsey Stuart Shields Blyth Eastman Dillon & Co. Drexel Burnham Lambert Goldman, Sachs & Co. E. F. Hutton & Company Inc. Kidder, Peabody & Co. Paine, Webber, Jackson & Curtis Reynolds Securities Inc. White, Weld & Co. Dean Witter & Co. Andersen Bank A/S Bergen Bank Christiania Bank og Kreditkasse Den norske Creditbank

All of these securities having been sold, this announcement appears as a matter of record only. New Issue / August, 1977

2,750,000 Shares

Manufacturers Hanover Corporation

Common Stock (\$7.50 Par Value)

Safom Brothers Goldman, Sachs & Co. Merrill Lynch, Pierce, Fenner & Smith Blyth Eastman Dillon & Co. The First Boston Corporation Dillon, Read & Co. Inc. Lazard Freres & Co. Loeb Rhoades & Co. Inc. Bache Halsey Stuart Shields Donaldson, Lufkin & Jenrette Drexel Burnham Lambert Hornblower, Weeks, Noyes & Trask E. F. Hutton & Company Inc. Keefe, Bruyette & Woods, Inc. Kidder, Peabody & Co. Kuhn Loeb & Co. Reynolds Securities Inc. M. A. Schapiro & Co., Inc. Warburg Paribas Becker Wertheim & Co., Inc. White, Weld & Co. Bear, Stearns & Co. L. F. Rothschild, Unterberg, Towbin Shearson Hayden Stone Inc. ABD Securities Corporation Basle Securities Corporation Daiwa Securities America Inc. EuroPartners Securities Corporation Robert Fleming Kleinwort, Benson New Court Securities Corporation The Nikko Securities Co. Nomura Securities International, Inc. Scandinavian Securities Corporation SoGen-Swiss International Corporation UBS-DB Corporation Yamaichi International (America), Inc. Algemene Bank Nederland N.V. Amsterdam-Rotterdam Bank N.V. Bank Julius Bär & Co. A.G. Cazenove & Co. Credit Suisse White Weld Robert Fleming & Co. Hambros Bank Jardine Fleming & Company Kuwait International Investment Co. S.A.K. Kuwait Investment Company (S.A.K.) Lazard Brothers & Co. Morgan Grenfell & Co. Nederlandsche Middenstandsbank N.V. Pictet International J. Henry Schroder Wagg & Co. Swiss Bank Corporation (Overseas) S. G. Warburg & Co. Ltd. Westdeutsche Landesbank Girozentrale

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Rey sells Bally stake to Oerlikon-Bührle

BY JOHN WICKS

AFTER weeks of speculation as to the future of the controlling interest in C. F. Bally AG, vice-president Werner K. Rey has now agreed to sell his stake in the Swiss shoe concern...

Rey's decision to sell his stake in C. F. Bally AG to Oerlikon-Bührle has been announced in a press release...

Oerlikon-Bührle has shown interest for some time in a possible purchase of control over Bally. The Bührle group is increasing its turnover at a rate of some 20 per cent per year...

Earnings rise at Alfa-Laval

By William Dullforce

STOCKHOLM, Sept. 5.

IN SPITE of falling margins occasioned by tougher competition and heavy cost increases in Sweden, Alfa-Laval, the dairy and farm equipment and industrial separator group, shows improved first-half earnings of Kr.140m. (€18.5m.) against Kr.130m. A net financial income of Kr.19m. against a loss of Kr.14m. in the first six months of 1976, accounts for the profit growth...

Turnover during the first half grew by 4 per cent to Kr.1.92bn. (€226m.). Sales during the second half are expected to be still larger but the pre-tax profit will decline, it is stated, as deliveries will include some large plants, on which the margin is below average.

FRENCH FERTILISER INDUSTRY

Gardinier in Dutch deal

BY DAVID CURRY

PARIS, Sept. 5.

THE FAMILY-DOMINATED concern Gardinier has put a spoke in the French Government's plans to restructure the privately-owned part of the country's fertiliser industry by agreeing principle to the takeover of its French interests by the Dutch State Mines' Group company Unie van Kunstmest-Fabrieken (UNKF).

The company is planning to cede to the Dutch concern more than 50 per cent of Societe des Participations Gardinier (SOPAG), the holding company which pulls together the various Gardinier interests in France and which itself is controlled to the tune of some 62 per cent by members of the Gardinier family.

has recently married its fertiliser interests with those of the Enterprize Miniere et Chimique (EMC) concern which is also state-owned to create an enterprise with a Frs.1.6bn. a year turnover. The traditional link between EMC and Gardinier within an economic interest group covering the manufacture and distribution of certain products and the problem the loss of this network would pose for CDF-EMC are seen as pointing to some alternative solution to the Dutch takeover by assimilating Gardinier to the new state-owned grouping.

Gardinier realised some Frs.1.2bn. of sales last year in France for a production of around 1.7m. tonnes while its U.S. operation, Gardinier Big River, produced 1.9m. tonnes of fertiliser from its two factories and embarked up Frs.1.8bn. in sales. The American company also embraces a 3.1m. tonnes year phosphate mine. The Gardinier family has been accused particularly by the unions of wanting to develop its American interests at the expense of the French, although the agreement with UNKF includes a guarantee of continued supply of the French companies with American phosphate.

industry which lost some Frs.600m. globally last year, to which the Gardinier concern contributed a Frs.40m. loss. A poor economic situation, and the fierce competition from American and East European producers, as well as the growing threat from North African fertiliser concerns, have combined to put the French industry in a precarious position.

The Gardinier family has probably calculated that the upturn in the market and the breathing space provided by an export restraint agreement with Eastern Europe strengthened its negotiating hand temporarily while UNKF can offer the strong backing of a company owned 78 per cent by DSM and 22 per cent by Shell backed up by natural gas supplies. These give it twice the size of the new French state-owned combine.

Chairman quits KSH: restructure planned

By Michael van Os

AMSTERDAM, Sept. 5.

DR. WIEL HOEFNAGHE chairman of the troubled Dutch starch products and food manufacturer Royal Schol (KSH) has resigned, with immediate effect, in anticipation of a far-reaching reorganisation of the company's activities, which considerable State aid will be forthcoming.

A KSH statement published here said that Dr. Hoefnaghe, who had been a State Secretary at the Dutch Finance Ministry before he joined the company seven years ago, believed his resignation would give the greatest possible chance to reorganisation plans. The Dutch Press, the management KSH has been criticised for through a major shake-up long ago. Dr. Hoefnaghe is not available for comment.

GERMAN NEWS

Mannesmann sales declining

BY GUY HAWTHIN

FRANKFURT, Sept. 5.

MANNESMANN, the West German steel tube, machine tool and industrial plant construction group, has confirmed that the decline in sales noted in the first quarter has continued throughout the first half. So far there appears to be little to give scope to encouraging sales made by the group after announcement of figures for the first three months of the year.

Group external turnover for the opening six months of 1977 totalled DM4,98bn. (€1,23bn.), some 7 per cent down on the DM5,36bn. reported for the same period of last year. Furthermore, it should be remembered that the group's DM1,78bn. (€2,92bn.) turnover in 1976 was some 10 per cent below that of 1975.

The main cause of the downturn was a 2 per cent higher rate of the group's overseas subsidiaries. These dropped to DM1,08bn. in the first half 1977—some 18 per cent down on a turnover of DM1,24bn. reported in the same period of 1976. Turnover reported by Mannesmann domestic operations showed a decline of 3 per cent, dropping from DM4,59bn. to DM4,27bn. (There is a slight overlap in West German and overseas figures.)

manufacturing sector. Delivery levels had fallen and earnings in the sector had been under pressure.

RUETGERSWERKE, the Frankfurt-based chemicals concern, has told its shareholders that orders showed an improvement in the first half of the current year. By the mid-year mark, the order book and the utilisation of production capacity were up on the levels prevailing in the first half of 1976.

THE COMMERCIAL vehicle division of Maschinenfabrik Augsburg-Nürnberg (MAN) has produced a cheerful report on the business year ended June 30. Sales, it announced, today were up 17 per cent to DM2,45bn. (€994m.).

It is probably more true to say that the Gardinier family has been anxious to diversify its interests in France.

On the face of it the Dutch link-up would strengthen substantially the French fertiliser industry which lost some Frs.600m. globally last year, to which the Gardinier concern contributed a Frs.40m. loss.

There has been a measurable improvement in overseas business, according to the report. Sales in the first six months of 1976, overseas sales had increased by 20 per cent.

EUROBONDS

Argentina on sidelines with DM100m. issue

BY MARY CAMPBELL

THE DOLLAR sector of the market was very quiet yesterday, dealers reported a characteristic which also applied to first-time dealings in the Australian issue. The undertone continued firm, however.

Both the tranches of the Australian issue traded around 99 1/2 per cent.

Several new issues have or are about to be announced outside the dollar sector. Argentina is expected to come out with a DM100m. seven-year (bullet) issue today most probably at an indicated 7 1/2 per cent. This compares with 7 per cent recently offered by Petroleos Mexicanos.

Market sources report that a two-tranche issue for the World Bank is also being announced in the near future; it is expected to total DM450m. and offer 9 1/2 per cent.

to comprise a DM300m. public issue and a DM100m. private placement.

This World Bank issue would be in addition to the DM110m. plus of issues on the German market's regular calendar of foreign bond issues for September.

In the Dutch guildler market the first Euro-bond note placed since before the holiday has now been announced. It is a Frs.100m worth of five-year notes for Norway offering a 6 1/2 per cent coupon at 99 1/2 per cent.

The lead manager is Allgemeine Bank Nederland.

Table with 2 columns: Bond Name, Yield. Includes entries for 'Yesterday Friday', 'Medium term', 'Long term', and 'Convertible'.

Table with 2 columns: Bond Name, Yield. Includes entries for 'Yesterday Friday', 'Medium term', 'Long term', and 'Convertible'.

Tandberg's losses mount

BY FAY GJESTER

OSLO, Sept. 5.

TANDBERG, Norway's troubled electronics concern, made a share announcement yesterday which also applied to first-time dealings in the Australian issue. The undertone continued firm, however.

Several new issues have or are about to be announced outside the dollar sector. Argentina is expected to come out with a DM100m. seven-year (bullet) issue today most probably at an indicated 7 1/2 per cent. This compares with 7 per cent recently offered by Petroleos Mexicanos.

MONSANTO COMPANY AND SUBSIDIARIES

Statement of Consolidated Income

(Dollars in millions, except per share)

Table with 4 columns: Item, Three Months Ended June 30, 1977, Six Months Ended June 30, 1977, Three Months Ended June 30, 1976, Six Months Ended June 30, 1976. Includes rows for Net Sales, Cost of Goods Sold, Operating Income, etc.

H17 INTERNATIONAL GROWTH FUND

Société Anonyme, Headoffice: Luxembourg, 37, rue Notre-Dame, Trade Register: Luxembourg B 10.452

Notice of Meeting

Misses Shareholders are hereby convened to attend the General Meeting of the company which is going to be held on Wednesday 14th September, 1977 at 9.00 a.m. at 43, boulevard Royal, Luxembourg with the following agenda:

- Agenda: 1. To consider the reports of the directors and of the statutory auditors... 2. To approve the statement of net assets at 30th June, 1977... 3. To approve the payment of an interim dividend of 0.10 per share...

Midland International Financial Services B.V. U.S. \$75,000,000. 8 3/4% Guaranteed Bonds 1992. Midland Bank Limited. Credit Suisse White Weld, European Banking Company, Samuel-Montagu & Co., etc.

Mitsui & Co. (U.S.A.), Inc. \$50,000,000. 8 1/2% Guaranteed Senior Notes Due 1984, 8 3/4% Guaranteed Senior Notes Due 1987, 8 3/4% Guaranteed Senior Notes Due 1992. Mitsui & Co., Ltd. Smith Barney, Harris Upham & Co., Goldman, Sachs & Co., Nomura Securities International, Inc.

BRAZILIAN INVESTMENTS S.A. Net Asset Value per Depository Share as at 31st August 1977: U.S.\$99.95. Listed: The London Stock Exchange.

Handwritten note in Arabic script: "لا اله الا الله"

INTERNATIONAL FINANCIAL COMPANY NEWS

NEWS FROM INDIA

Air India spends \$650m. on wide-bodied aircraft

Mr. K. K. SHARMA, Minister for Civil Aviation, announced that the Government had approved the purchase of 10 Boeing 747-200 wide-bodied aircraft for Air India...

Minister blames Coca-Cola

AN MINISTER OF INDIA, Mr. K. K. Sharma, has accused Coca-Cola of being responsible for the current economic crisis in the country...

Companies face prosecution

AS MANY AS 92 Indian companies face prosecution for making donations to political parties...

KAB's workforce cut back

THE STATE-OWNED KAB (Kerala Airways Board) has announced a 20 per cent reduction in its workforce...

DAF Trucks profit forecast

DAF TRUCKS, the Dutch lorry manufacturer, expects a record profit of £20.2 million for the year ending 31st December 1977...

8% lift at Isuzu Motors forecast

ISUZU MOTORS, which has a 24.2 per cent interest in the General Motors of India, has forecast an 8 per cent increase in profits...

Dividend increase from McPhersons

McPHERSONS, the major engineering group and metal merchants, has lifted its dividend for 1976-77...

PIA's record profitability

PAKISTAN INTERNATIONAL AIRLINES reports record profits for 1976-77, with earnings of Rs. 2,260 million...

AUSTRALIAN NEWS

A strong recovery at APPM

BY JAMES FORTH

ASSOCIATED PULP and Paper Mills made a strong recovery in 1976-77, with earnings of \$4.6 million...

Takeover boost for Adelaide Steamship

ADELAIDE STEAMSHIP, one of the most aggressive takeover specialists, has boosted its profit...

Rescue plan for Rodange-Athus

BY GUY DE JONQUIERES IN BRUSSELS

THE GOVERNMENTS of Belgium and Luxembourg have reached an agreement on a plan to rescue Rodange-Athus...

Tax hits Mayne Nickless

SYDNEY, Sept. 5

MAYNE NICKLESS, a major transport and security group, has seen its profits hit by a 15 per cent increase in tax...

Adelaide Steamships made extra profits

SYDNEY, Sept. 5

Adelaide Steamships made extra profits in 1976-77 of \$3.3 million, reports James Forth...

Takeover boost for Adelaide Steamship

SYDNEY, Sept. 5

Adelaide Steamship, one of the most aggressive takeover specialists, has boosted its profit...

CAMREX (HOLDINGS) LIMITED INTERIM STATEMENT. Table showing financial results for six months and year ended 31.12.76 and 31.12.77. Includes turnover, profit before taxation, and profit after taxation.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS. Table listing various international bonds and their prices.

Advertisement for Axco Industries, Inc. and Société Nationale Elf Aquitaine. Includes M&T Chemicals Inc. and American Can Company. Logo for MORGAN STANLEY & CO. Incorporated.

APPOINTMENTS

DIRECTOR GENERAL Institute of Motor Industry

The I.M.I. a professional body which concerns itself with education standards in all branches of the Motor Industry, wish to appoint a new Director General to take over the work of the present Director General who is shortly retiring.

The post involves responsibility to the Council of Management for planning and organising the development of the Institute, the increase in its membership and the control of its assets.

Please write or telephone for an application form to: Mr J D Morgan, Ref DM11, John P. Young & Associates Ltd, Courtyard House, North Dea, High Wycombe, Bucks.

Kw

Local Authority Dealer

We require a Dealer who is experienced in all aspects of the Local Authority Market.

Write in confidence, giving details of previous experience to:

MARGING DIRECTOR, KIRKLAND-WHITTAKER (STERLING BROKERS) LTD, 67 CHISWELL STREET, LONDON EC1Y 4XX.

BANKING, INSURANCE AND LEGAL APPOINTMENTS

Insurance Specialist

Industrial sector Switzerland

A major international insurance concern seeks a highly qualified insurance engineer for its Swiss based office to open headquarters. As a member of the top management team, he will report direct to the European General Manager and bear profit and loss responsibility for his department.

with a deepened technical expertise in this specialist area of insurance. Extensive travel throughout his region will be required in this senior appointment. Though foreign language knowledge is not essential, he must be prepared to learn German.

PA Management Consultants AG,

Kreuzstrasse 26, 8008 Zurich, Switzerland. Tel: Zurich 34 69 36



A member of PA International

CONTRACTS AND TENDERS

TENDER ANNOUNCEMENT MAIN DRAINAGE SYSTEM AND PURIFICATION PROCESS PLANT

for the city of AL AIN, U.A.E. (Contract No. M4)

I. The Municipality of Al Ain, in the Emirate of Abu Dhabi, U.A.E., invites contractors to participate in the tender for the construction of a Main Drainage System and related Purification plant for the city (as per Contract M4) and which consists of:

- A. The supply and installation of Glass Reinforced Plastic Pipes, 900 mm. in diameter and approximately 10 km. long.
B. Construction of a sewage processing plant, including all necessary works associated with same.
C. Supply and installation of a dual extraction line, 600 mm. in diameter and 7 km. long. These pipes must be of flexible and weldable iron, together with supply of all necessary parts, valves and other attachments.
D. Supply and installation of drainage pipes, 900 mm. in diameter and 13 km. long, of flexible iron and for irrigation water.
E. Construction of water treatment and purification plant for the processing of drainage water, with a daily capacity of 37,000 cubic metres.

- This plant should provide for:
1. Intake installations
2. Ventilation ductings
3. Final settling yards
4. Sand filtering yards
5. Sludge treatment installations
6. Sludge drying yards
7. Administration Building
8. All other general works, such as improving and landscaping the plant area and all other work related to this plant.

II. Contractors who want to take part in this tender must have the necessary qualifications, technical competence and sufficient experience in projects of this size. They should provide a list of similar projects contracted for and executed — or under execution — bearing in mind that the value of such projects should have been in excess of 40 million U.A.E. Dirhams.

III. All drawings and documents related to this tender are obtainable on receipt of an official letter or telex from:

Committee of Al Ain Drainage Projects, P.O. Box 1003, Al Ain, Abu Dhabi, U.A.E. Telex: 2250 Al Ain

Foreign companies should name their U.A.E. partners or agents who are authorised to purchase tender documents on their behalf (providing full name, address, POB number and telephones).

IV. Drawings and documents related to this tender are obtainable during office hours from the Committee for Public Tenders, Al Ain Municipality, against a non-refundable cost of 10,000 U.A.E. Dirhams. Such documents will not be supplied by post. The closing date for the purchase of tender documents is 12.00 a.m. on Monday, September 12, 1977.

V. Tenders must be accompanied by a bank guarantee equivalent of 5% of the value of the tender. This guarantee must be valid for 90 days, as of the last day of acceptance as stated in Section VII. This guarantee will be raised to 10% if the relevant tender is accepted.

VI. Offers must be signed and sent in a sealed envelope addressed to:

H.E. The President of Al Ain Drainage Projects Committee, Department of Agriculture and Municipality, P.O. Box 1003, Al Ain, Emirate of Abu Dhabi, U.A.E.

VII. The closing day is Tuesday, November 1, 1977, at 10.00 a.m.

VIII. The Committee for the Al Ain Drainage Project has the right to accept or reject any tender offer without providing any explanation.

COMPANY NOTICES

CANADIAN NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE NOTICE TO SHIPPERS TRAFFIC TO CANADA

GAZ CURRENCY ADJUSTMENT Shippers will be aware that the member lines of the above conference operating services from the United Kingdom, Northern Ireland and the Republic of Ireland to Canada, the United States, Mexico and Central America have been advised of the time applied currency adjustment arrangements which allow for surcharges or discounts to compensate for fluctuations away from the tariff base rate and that this arrangement has been found to be satisfactory.

As at January 1977, the tariff currency was changed to the Canadian dollar based on a rate of exchange of \$1.00 to the pound sterling and it was left unchanged in cost of currency fluctuations for a reasonable period of time. Unfortunately due to the recent depreciation of the value of the pound sterling, the tariff currency has become unworkable and it is felt that it is essential to allow the necessary adjustments to be made to the tariff base rate and to allow the necessary adjustments to be made to the tariff base rate and to allow the necessary adjustments to be made to the tariff base rate.

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APPOINTMENTS

Chairman change at Revertex Chemicals

Sir Campbell Adamson, who joined the Board of REVERTEX CHEMICALS at the beginning of this year, is to become chairman of the company from January 1, 1978. Dr. Ernest Brookman is to relinquish the chairmanship at the end of this year but will continue on the Board until his retirement in mid-1978.

Sir Campbell, who is 55, was director-general of the CBI from 1969 until 1976. He is now a director of Leazards, Abbey National Building Society and various industrial companies.

Mr. Norman E. Pratt, a director of Cape Engineering and Construction of Warwick, has been appointed to the Board of CAPE (WARWICK) HOLDINGS.

Mr. J. M. Stevenson has been appointed finance director of CAMMELL LAIRD SHIPBUILDERS. He succeeds Mr. E. F. Potter, who has left the company to take up another post. Mr. Stevenson will continue as secretary.

Mr. C. J. Warton has been appointed manager of INTERNATIONAL ENERGY BANK.

Mr. William E. Harris has been elected chairman of BARCLAYS CANADA from this month in succession to Mr. A. Dowling, who is retiring but will remain a director. Mr. Harris, a director of the company since 1975, is also chairman of the Mercantile and General Insurance Company of Canada and a director of E.L. Financial Corporation and National Trust Company.

Mr. Svein Hvamb is to take charge of TUBE INVESTMENTS, a 200m. seamless steel high pressure gas cylinder project in the U.S. The new operation, which will be capable of making 250,000 cylinders a year, the starting point of industrial gases, will be called the Chesterfield Cylinder Company and project headquarters will be located for the time being at Raleigh Industries of America, incorporated at Enid, Oklahoma.

Mr. Alan R. Duncan has been appointed a manager of CREDIT SUISSE WHITE WELD, London.

Mr. William P. Doyle has been appointed deputy managing director of TEXACO LTD, the refining and marketing company.

COMMERCIAL UNION ASSURANCE COMPANY states that, with effect from October 1, Mr. Vernon



Mr. William P. Doyle

C. Bryan will be appointed general manager, U.K. division, in succession to Mr. James Tait, who will be retiring on December 31.

Mr. David Jewell has been appointed chairman of the BUILDING REGULATIONS ADVISORY COMMITTEE at the Department of the Environment from October 1 in place of Mr. Philip Bennett.

Mr. T. Peter Lambert, production director of John Foster and Son, has been appointed a director of NATIONAL WESTMINSTER BANK.

Mr. M. G. Griffin has become operations manager at the London branch of HARRIS TRUST AND SAVINGS BANK OF CHICAGO and Mr. K. Eason has been made assistant chief dealer.

Mr. W. Corbett is to join THOS. R. MILLER (AVIATION BROKERS) as assistant managing director on October 1 and resigns as director of Excess Insurance and London and Edinburgh General Insurance Company.

Mr. J. E. Wallis has been appointed a member of the POST OFFICE USERS' NATIONAL COUNCIL until December 31, 1980.

Mr. M. R. L. Burton has been appointed a director of NOVA (JERSEY) KNT.

Sweden worst hit by tanker surplus

By David Freud, Industrial

THE TOTAL world surplus tankers and combined capacity operating in oil transport was estimated to be 13 deadweight tonnes at the end of June.

The estimate, by Leobrokers, John L. Jacobs, presents nearly 40 per cent of the total tonnage available. Jacobs measured the extra slow steaming, excessive time, waiting cargoes, scheduled delays, and floating storage well as total lay-ups.

There was a large increase in the amount of tonnage available over the first half of 1977 tankers, the rise was from 10.5 million dwt at the end of 1976 to 14.5 million dwt at the end of June. In the first half of 1977, the figure rose from 3.1 million dwt to 3.8 million dwt. However, this was still 19.5 million dwt less than the figure of 53 million dwt which was just over a year ago. The total at the end of June presented 9.5 per cent of existing tanker fleet and 8 per cent of combined capacity.

The country worst hit by Sweden, 60.4 per cent of national tanker and combined carrier fleet, representing 8.2 million dwt was laid up. Norway 9.2 million dwt laid up, representing 25.6 per cent of its total and the U.K. had 1.9 million dwt up 5.4 per cent of the total. The world tanker fleet creased by 1.9 per cent in half-year. New buildings completed and delivered to owners amounted to 10.5 million 5.5m. dwt less than had been anticipated six months before. No ships were materially ahead of schedule.

Over the same period, losses, scrapings and cancellations totalled 4.49 million dwt. The volume of tanker orders stood at 27.5 million dwt, reduction of 10.8 million dwt in half year, the bulk of deliveries and the remaining 0.8 million dwt because of cancellations.

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DIDIER-WERKE A WIESBADEN, GERMANY (Refractories and Engineering)

The Annual General Meeting of DIDIER-WERKE AG was held in Wiesbaden on July 11th 1977, and the following are the minutes of the meeting.

Dr. Bleoek, referring to the Chairmen of the Board of Management, Dr. Martin Bleoek and Dr. R. Blenck, reported on the Board.

Dr. Blenck, referring to the Refractories Division on average had achieved no more than 65% utilisation of capacity, with a drop in output of 5% and a fall in deliveries of 7%.

In view of the existing market situation increases in cost due to both higher labour charges and under-employment of capacity could not be passed on in prices. A number of plants and installations accordingly had to be closed during the year in order to ensure that the Company as a whole remained viable.

The Didier-Technik Division had remained fully employed during the year, results were satisfactory on the whole and turnover rose to DM 319m (+25%), producing an increase in Group turnover to DM 855m (7%), or including foreign income, to DM 941m.

The encouraging returns from foreign subsidiaries, some of them of a non-recurring nature, have made it possible to distribute a bonus, though the distribution reflected the inevitable drop in domestic profits as a result of under-utilisation of refractory capacity.

The Company's profit per share had fallen from DM 10.80 to DM 10.35 whilst profit for the Group as a whole had shown a slight rise from DM 11.15 to DM 11.80.

To counteract the drop in profits, certain plants had been closed, with the adjustment and streamlining investment cutting some capital expenditure. Domestic investment during the next three years had accordingly been scheduled at between DM 25m and DM 30m and above the total of depreciation, it was primarily for this reason that it was proposed to increase the

present authorised capital by DM 6m to DM 15m on the basis of a rights issue.

Dr. Bleoek went on to say that he felt it was in the interests of shareholders for as many Didier employees as possible to identify themselves with the prosperity of the Company by purchasing shares. It was therefore intended to make a fresh issue of shares to employees.

Didier Engineering GmbH, Essen, a company manufacturing major plants and installations, had invoiced deliveries worth DM 210m during the year under review. As from 1st January 1977, 40% of the Company's share capital had been sold to VOEST-ALPINE GmbH, Munich. This step towards co-operation was intended to maintain the Company's international competitive position and, what is even more important, to improve its position in the important field of coal processing.

No basic changes could be expected in the refractory sector for 1977. Turnover was likely to drop by around 5%, although there would be a further shift towards high grade products. Didier-Technik, fully employed as it was, could be expected to make a material contribution to profits for the rest of the year. Group turnover was likely to be around 10% below the level of the previous year.

The following are details of the Annual Report:

Review Refractories: The Division once again dominated the Group's accounts. The order book showed considerable fluctuations in terms of both volume and structure and resulted in some capacity remaining idle. This required adjustments in the Division's labour force and in its plants.

Didier-Technik: Orders increased by around 11% during the year and the Division's contribution to Group turnover at DM 319m showed a distinct improvement. As a result of some major export orders being charged out during the period under review, the Division's export ratio rose from 69% in 1976 to 77%.

The Dinova plant enjoyed a higher level of employment and as a result increased its turnover and improved its profits, compared with the previous year. Investment exceeded the previous year's figure and the range of products was adjusted in line with market requirements.

Personal There was a slight drop in the total number of people em-

ployed, with the Company showing a total of 5,638 at the end of 1976 compared with 5,608 at the end of 1975. The volume of orders was 6,000 pared with 6,223 the before.

Prospects Overall economic conditions continue and does not support a definite forecast for 1977. In the field of refractories, capacity is likely to remain under-utilised. The order book in the Refractory Division makes employment likely also in the second half of the year.

The results of foreign subsidiaries are expected to show a downward trend in the economic developments, but may well show some improvement as a result of lower local costs.

Profit and Dividend Profit for the year amounted to DM 11,348,888.29 added to the balance forward of DM 115,395.15 to the free reserve, profit total of DM 9,750,253.29 available for distribution.

It is accordingly proposed to distribute a dividend of DM 1.50 in respect of DM 50 share, a rate of equivalent to DM 8.75 for the share capital DM 74,430,000 ranking profit, and to carry forward the resulting balance DM 74,395.29.

The report, the accounts and the proposals put forward by the Board were adopted.

Supervisory Board (Aufsichtsrat) Shareholders' Representative: Dr. Horst Burgard, Karl Taunus, Chairman; Rüdiger, Hagen, Deputy; Dr. rer. nat. Heino Frank, Bad Soden-Neu; Heinz Niederste-Osthoff; Dr. Felix Albrecht, Bad Homburg; Dr. jur. Wilhelm Wirtz-Munich.

Employees' Representative: Werner Girk, Göttingen; Heinz Grottel, Thannhausen, Duisburg.

Board of Management (Vorstand) Dipl.-Kfm. Dr. jur. Blenck, Chairman; Dr. jur. Knopp; Dipl.-Ing. Mahler; Dr.-Ing. Gernhard; Dr.-Ing. Hans Werk.

Table with 10 columns: Share Capital, Reserves, Dividends, Participations, Net Profit, Turnover, Group Turnover. Rows for years 1967-1976 and 1973-1975.

Commercial Lawyer

Company Secretary Designate Manchester

Pifco Limited, a UK Public Company in the small electrical appliances field, seeks an energetic experienced commercial lawyer.

Reporting to the Managing Director, the responsibilities will include a wide range of legal affairs as well as involvement in general management.

Suitable applicants will be solicitors with a minimum of three years qualified experience who have the ability to work well with people at all levels in the company.

A first class remuneration package is offered together with the possibility of a board position.

Please write with full career details to date to Mr. M. Webber, Pifco Limited, Faiswoth, Manchester M35 0HS.

LEASING/BANKING

Immediate employment in a very responsible position as executive/director in a recently formed and expanding leasing company is available. The company operates principally in the shipping and related industries. Legal or accountancy experience in personal or corporate tax matters would be useful. As would be experience in banking or stockbroking; but drive and intellectual capacity are the most important requirements. Salary will depend on experience. Please reply to: Miss M. Sutherland, 16 Davies Street, London W1Y 1LJ.

CREDIT INSURANCE EXECUTIVE

Dykes Faber & Oumes Ltd. need a member Account Executive to join their Credit & Bonding Department.

PERSONAL

IS YOUR HOUSE larger than you need and worry because of rates and repairs. If it is consider how you can "sell" yourself and others in a "sell" way through the Agency. This is a national charity for the elderly. If you donate a suitable house one person will be accommodated as a flat for your own use and free of rates, interest and repairs, or rent for the rest of your life. The remainder is made to the charity. A converted house at other locations. Please write to the Secretary, c/o The Agency Housing Appeal, 12, Dover Street, London W1A 2AP. Tel: 01-499 9721.

CONTRACTS AND TENDERS

SUDAN RAILWAYS STORES DEPARTMENT

CONTRACT NO. 4925 Supply of Roof Trusses for two Bonded Warehouses

NOTICE 1. Controller of Stores, Sudan Railways, invites tenders for the supply of the above Roof Trusses.

2. Details & Specification can be obtained from the office of Controller of Stores, P.O. Box 85 Athara or from the Office of Stores representative at Catering Stores Khartoum on submitting a written application bearing 500ms. Stamp Duty and payment of LS. 5,000/ms. for one copy of details specification and drawing.

3. The closing date fixed for acceptance of tenders in this office is Saturday, 10 Sept. 1977, at 12.00 hours noon.

OFFICE OF CONTROLLER OF STORES

COMPANY NOTICES

TENDERS FOR GREATER LONDON BILLS

The Greater London Council hereby invites tenders for the purchase of the following bills of exchange: £250,000, 12 months, 12.5% per annum, payable on demand, 12.5% per annum, payable on demand, 12.5% per annum,

EEC ENLARGEMENT

Signs of disquiet

BY REGINALD DALE, European Editor



President Suarez of Spain: Spain's pride is already ruffled.

SPAIN'S APPLICATION to join the EEC in the wake of Greece and Portugal should have served formal warning on the Nine that they must soon start asking themselves some searching questions about the Community's future. It is not just that the Nine will have to decide whether and if so, how the Community, in its present udodynamic state, can cope with another major extension so soon after the difficult absorption of Britain, Ireland and Denmark. Examination of the Spanish case should also concentrate attention on a number of existing Community policies where improvements are urgently needed, but on which the Nine Governments are in serious disagreement.

Of the three candidates, Spain, with its 35m. population, eighth ranking Western industrial power and an important agricultural producer and exporter, clearly poses by far the greatest difficulties. As the implications of Spanish entry have progressively dawned, particularly on the Community's main Mediterranean competitors, France and Italy, the signs of disquiet inside the Nine have become increasingly evident.

Farmers

But it is not just French and Italian farmers who are worried. It is obvious to all the Nine that the entry of three relatively poor Mediterranean countries would lead to fundamental changes in the nature of the EEC and perhaps mark the point of no return from which the Community moves irrevocably in the direction of a looser free trade area dominated by its most powerful members. To some people, particularly in Britain and France, this would be a welcome development. To the Community's smaller members, and especially the Irish and the Benelux countries it is a source of comprehensible alarm.

But quite apart from the longer term ramifications of further enlargement, the Spanish request should reopen the debate on fundamental unresolved issues such as farm support under the CAP, the transfer of resources from richer to poorer members and the extent to which the Community can afford to follow liberal trade policies in periods of economic difficulty.

In an ideal world, the Nine would work out what sort of Community they really want and then negotiate with the candidates as to how they should fit into it. That would require a totally unattainable unity of purpose among the Nine. But there have been suggestions, notably from the Commission, that the Nine should at least concert their position towards all three countries and conduct the entry negotiations in parallel. "Globalisation" of the negotiations in Community terms.

Such an approach would have obvious advantages. Many of the problems posed by the three countries, particularly on the agricultural side, are similar in nature if not in scale. It would also make sense to look at the future distribution of money from the Regional Fund, for example, in the overall context of a 12-nation Community rather than tackling each new candidate's potential share separately. Instead of simply adding on one or two extra members to the commission each time a deal was struck with an individual applicant, the Nine could seriously examine whether they really need up to 17 Commissioners. Many people would argue that there are not enough proper jobs to go round among the existing 13.

The opportunity would arise for a thorough review of decision-making procedures in the Council of Ministers, already cumbersome, with Nine members here. It would clearly be simpler to fix voting weights in a new 12-nation Council and the size of delegations to the European Parliament all at the same time. It might also be possible to take a look at the immensely delicate question of language—with the addition of Greek, Portuguese and Spanish, is the Community to move up to nine working languages from the present six? The case for streamlining at least deserves examination, even if national sensitivities make it extremely unlikely that it can be agreed in any formal way.

By now, it may well be too late to conduct this sort of operation for all three candidates. The Greek talks are well advanced, and Athens has been given assurances that its case will be handled separately on its own merits. In any case the time scale is different. While Greece is pressing for entry as soon as possible, both Spain and Portugal have indicated that they do not see themselves joining for at least a few more years, and both have talked in terms of longer transitional periods after entry than the five years that Greece is ready to settle for. If there is any link between the Greek negotiations and the other two,

open the Pandora's Box of mission was so distressed preliminary estimates of horrifying cost of extending present CAP to Spain, the fore up the figure will publishing them. Return the policy before admitting Spain would be one answer. But French demand for greater protection Mediterranean products almost certainly lead to not less, spending.

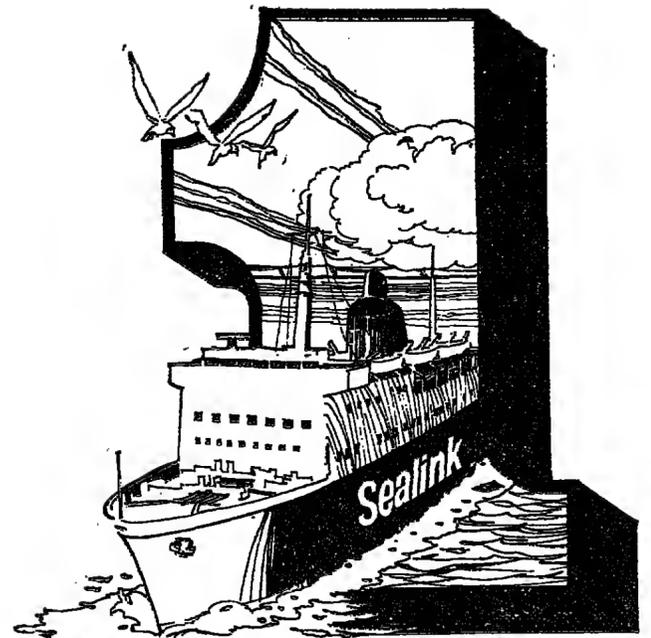
Second-class

Secondly, it is a pretty sure bet that Madrid would never accept an arrangement that so obviously singled out Spain as some kind of second-class member. Spanish pride is already ruffled at the prospect of objections to its entry on agricultural grounds, when the Community's past line has always been that the country would be warmly welcomed as soon as democracy was restored.

One answer could be to allow the Iberian countries in when they want, but with extremely long transitional periods in all sensitive areas, in the hope that the problems will either go away or be dealt with inside the enlarged Community. But other ideas have been floated. One is to satisfy the candidates' need for endorsement of their new political responsibility by admitting them to the Nine's political co-operation discussions, but postpone economic integration. Another suggestion, reportedly favoured by Germany, is that the candidates should be admitted, but allowed a full voice in the Council of Ministers only in areas where they had completed the process of integration.

Neither of these last two suggestions has found many backers. But the fact remains that few of the Nine are yet ready to apply Rome Treaty rules of free movement to Spain for one reason or another. While France and Italy want protection against Spanish farm exports, Germany is deeply concerned at the prospect of a new flood of immigrant workers. Britain will hardly welcome stronger competition from Iberian textile and steel mills, to say nothing of cars.

Nor is there any sign that Germany, or anyone else, will be prepared to foot the bill for the enormous increases in expenditure that will be inevitable if the Community's present agricultural and regional policies are applied to the Iberian peninsula. The Com-



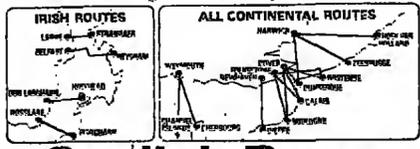
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Table listing debenture holders with columns for name, address, and amount. 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Table with financial data, including 'M-way' and 'terry' sections.

Rain and frosts hit grain harvest in Canada

By Christopher Parkes. RAIN and frosts have delayed and damaged the cereal harvest in Canada...

Rubber at new peak for year

By Richard Mooney. THE RECENT upturn in rubber prices was maintained yesterday...

Experts press for two-year ban

By Robert Del Quaro, recently in Lima. FISHERIES experts are pressing the quality of the meal will be affected...

EEC asked to cut sugar output

By Canute James. The 22-member group of Latin American and Caribbean sugar exporting countries has asked the European Economic Community...

Sharp rise in copper market

By Our Commodities Staff. THROUGH LONDON trading yesterday was dominated by copper prices...

Israel plans more fruit exports

ISRAEL EXPECTS to increase its exports of fresh agricultural produce by 18 per cent...

Table with financial data, including 'Dine copra' and 'ts rise' sections.

GHANA COCOA PURCHASES

ACCRA, Sept. 5. The Ghana Cocoa Marketing Board announced that purchases for the 1977-78 season...

SOYABEAN MEAL

Market opened underpinned and values improved until narrow range...

Lower fish oil output forecast

WASHINGTON, Sept. 5. WORLD FISH oil production this year, including fish liver oil...

Table with financial data, including 'MODITY MARKET REPORTS AND PRICES'.

AMERICAN-UNITED KINGDOM FREIGHT CONFERENCE

NOTICE TO IMPORTERS. The American-United Kingdom Freight Conference...

SUGAR

LONDON DAILY PRICE. Sugar market opened steady and quiet...

PRICE CHANGES

Table with price changes for various commodities.

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Silver was down 2.5p on a higher ounce but 60p higher in the London market...

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In quiet conditions accounted by the fact that London is a net importer...

WOOL FUTURES

LONDON. Unchanged to shade better. Wool futures market opened steady...

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After opening unchanged, market moved in narrow range to close 10 1/2 lower...

RUBBER

HIGHER opening on London physical market. Rubber market opened steady...

JUTE

DUNDEE. Quiet. Prices and firm. Jute market opened steady...

Table with financial data, including 'PANY NOTICES' and 'GOURMET'.

GRAINS

LONDON FUTURES (L.A.F.). Following a lively week-end weather market...

MEAT/VEGETABLES

SWITZERLAND. Quiet. Meat and vegetable market opened steady...

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THAMES TELEVISION is launching its new series 'This Sporting Land' with an exhibition of period sporting costumes...

Table with financial data, including 'EUROPEAN COAL AND STEEL COMMUNITY'.

Table with financial data, including 'FINANCIAL TIMES' and 'DOW JONES'.

Large advertisement for 'Taiwan to buy more U.S. maize' with detailed text and graphics.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as British Overseas, Overseas Investment, and various international funds with their respective managers and performance metrics.

Table of Offshore and Overseas Funds listing international investment funds like Fidelity, British Overseas, and various global equity and bond funds.

BASE LENDING RATES

Table of Base Lending Rates for various banks and financial institutions, including interest rates for different terms and currencies.

UNIT TRUST MANAGERS

Table listing Unit Trust Managers and their respective funds, including contact information and details for various investment vehicles.

INTERNATIONAL BOND TABLE

Table of International Bond investments, listing various international bond funds and their performance data.

FIXED INTEREST YIELDS

Table of Fixed Interest Yields for various investment options, including government and corporate bonds.

AL AUTHORITY BOND TABLE

Table of AL Authority Bond investments, listing various authority bond funds and their details.

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BRITISH FUNDS table with columns for Stock, Price, Dividend, and Yield.

Over Fifteen Years table showing performance metrics for various funds.

INTERNATIONAL BANK table listing various international banking services.

COMMONWEALTH & AFRICAN FUNDS table listing investment funds.

FOREIGN BONDS & RAILS table listing foreign bond and rail investments.

AMERICANS table listing American stock investments.

AMERICANS-Continued table with columns for Stock, Price, Dividend, and Yield.

CANADIANS table listing Canadian stock investments.

BANKS AND HIRE PURCHASE table listing bank and hire purchase services.

LOANS (Miscel.) table listing various loan products.

BEERS, WINES AND SPIRITS table listing beverage investments.

AMERICANS table listing American stock investments.

BUILDING INDUSTRY, TIMBER AND ROADS table listing construction and infrastructure investments.

BUILDING INDUSTRY-Cont. table listing building industry investments.

AMERICANS table listing American stock investments.

DRAPERY AND STORES-Cont. table listing drapery and store investments.

AMERICANS table listing American stock investments.

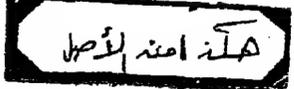
ENGINEERING-Continued table listing engineering investments.

AMERICANS table listing American stock investments.

HOTELS-Continued table listing hotel investments.

AMERICANS table listing American stock investments.

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INSURANCE - Continued table listing various insurance companies and their stock prices.

PROPERTY - Continued table listing property-related companies and their stock prices.

TRUSTS - Continued table listing various trusts and their stock prices.

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YASUDA Life Insurance advertisement with logo and text.

MOTORS, AIRCRAFT TRADES

Table listing motors and aircraft trade companies and their stock prices.

SHIPBUILDERS, REPAIRERS

Table listing shipbuilders and repairers and their stock prices.

SHIPPING

Table listing shipping companies and their stock prices.

SHOES AND LEATHER

Table listing shoes and leather companies and their stock prices.

SOUTH AFRICANS

Table listing South African companies and their stock prices.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publishing companies and their stock prices.

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Table listing textile companies and their stock prices.

PAPER, PRINTING, ADVERTISING

Table listing paper, printing, and advertising companies and their stock prices.

COMMERCIAL VEHICLES

Table listing commercial vehicle companies and their stock prices.

COMPONENTS

Table listing component companies and their stock prices.

GARAGES AND DISTRIBUTORS

Table listing garage and distributor companies and their stock prices.

OVERSEAS TRADERS

Table listing overseas trader companies and their stock prices.

RUBBERS AND SISALS

Table listing rubber and sisal companies and their stock prices.

TEAS

Table listing tea companies and their stock prices.

MINES - CENTRAL RAND

Table listing Central Rand mines and their stock prices.

MINES - EASTERN RAND

Table listing Eastern Rand mines and their stock prices.

MINES - FAR WEST RAND

Table listing Far West Rand mines and their stock prices.

FINANCE - INVESTMENT TRUSTS

Table listing investment trusts and their stock prices.

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MINES - CENTRAL AFRICAN

Table listing Central African mines and their stock prices.

MINES - AUSTRALIAN

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MINES - TINS

Table listing tin mines and their stock prices.

MINES - COPPER

Table listing copper mines and their stock prices.

MINES - MISCELLANEOUS

Table listing miscellaneous mines and their stock prices.

NOTES

Notes section providing financial commentary and market analysis.

RECENT ISSUES

Recent issues section listing new publications and their prices.

REGIONAL MARKETS

Table listing regional market data and stock prices.

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DEMONSTRATORS JOSTLE GORMLEY



By NICK GARNETT, LABOUR STAFF

MR. JOE GORMLEY, of the National Union of Mineworkers president, was jostled and spat at for several minutes in Blackpool yesterday before police and senior union officials could clear a way for him.

Mr. Gormley, bearing the brunt of abuse from fist-slaking demonstrators, including members of the Trotskyist-backed Right to Work campaign, had to walk more than 100 yards surrounded by a protective shield of police and NUM officials.

As he left the town's Winter Gardens, the TUC Congress venue, later a large group of demonstrators followed him, chanting and arguing with him about pit closures and unemployment before leaders of the demonstrators ordered them back.

Mr. Gormley said last night: "I was a deplorable state of affairs. Something has got to be done about the laws of the land."

"It didn't frighten me but it could be a frightening thing to a hell of a lot of people. I think we are getting ourselves into a bit of a mess when people who want to express a point of view have to split in other people's faces."

The arrest of Mr. John Deason, the campaign leader, during the demonstration provoked a further march to Blackpool central police station where a line, four deep and 100 yards long, of Right

To Work campaigners formed in one of the side roads. Campaign stewards appealed to demonstrators, almost all of them in their teens and early 20s, for order and calm and told them to sit peacefully in the road.

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The campaigners, many of them recognisable from the Grunwick picket lines and some carrying flags on their orange waistcoats like "Veteran of Lewisham" and "East End Trotskyist Boot Boys" were trying to stay there until Mr. Deason was released on bail.

Later in the evening, a few Right to Work campaigners entered the Imperial Hotel, the main delegate hotel, and scuffles broke out at one of the hotel receptions.

The Right to Work campaign, whose most common chant is "Occupation, nationalise, fight for the right to work", is planning a national rank and file delegate conference in Manchester in November.

Apart from the Right to Work marchers, separate demonstrations were organised by trade delegations against the 12-month rule, by the Grunwick strikers, and the Campaign Against Youth Unemployment.

CBI to debate calls for curbs on trade unions

By JOHN ELLIOTT, INDUSTRIAL EDITOR

A SUBSTANTIAL number of demands for new laws to curb trade union activities have been submitted for debate at the CBI's first national conference since November. This means CBI leaders are likely to come under pressure to change their policy of avoiding major changes in employment law.

The demands are controversial because they come only three years after the restrictions of the 1971 Industrial Relations Act were repealed, and they coincide with a debate among Conservative Party leaders about what employment laws they should propose for the next general election.

The ideas include introducing a legal freedom not to belong to a trade union so as to outlaw closed shops; making labour agreements legally binding; and introducing postal ballots before strikes and other major union decisions are taken.

There is also considerable concern about picketing, with proposals for new legal restraints, as well as opposition to early legislation on worker directors.

Nearly 100 resolutions have been submitted to the CBI, mainly through employer and trade associations, for the two-day conference in Brighton. The CBI headquarters staff is grouping these and other resolutions for the conference's five main debating sessions. These will cover relations, the State and its relationships with businesses and individuals, problems of investment and manpower, employee participation, and Britain's role in the world economy.

Up to 2,500 delegates are expected to attend the conference, some in groups from large companies and trade unions.

Many of the protests aired will concern Government and trade union power. It will be proposed that the CBI should withdraw from co-operation with the Government in joint bodies such as the National Economic Development Council.

But the calls for new labour laws may turn out to be the most controversial, even though it is too early to be precise about what the resolutions which are accepted for debate by the CBI president's committee will say.

Up to now the CBI's leaders have stood back from proposing any early legislative changes. Yesterday the CBI's employment policy committee studied a short draft policy paper on the subject of amending Industrial Relations Law. This explores problems associated with the Advisory, Conciliation and Arbitration Service and its union recognition procedures, some of which have been highlighted by the Grunwick dispute.

It also looks at the possibility of closed shop laws (which were not fully effective under the Industrial Relations Act), sympathy strikes involving a third party, postal ballots, and picketing problems.

This does not mean the CBI leaders would not like to see some restrictive laws if they could work. What it does mean is that the personnel directors and other experts under the CBI's leadership are not convinced that the CBI's employment policy committee do not believe the time is ripe for change.

This is the argument they may put in the overall CBI policy document—provisionally named "Proposals"—which will be submitted to the November conference with the CBI members' calls for more radical reforms.

Decisions reached by the conference will be taken into account in the deliberations of the CBI's policy-making council. The conference became an annual event, however, which is possible—though it might become the CBI's supreme policy-making body.

Follow-up summit on economic growth

By PETER RIDDELL, ECONOMICS CORRESPONDENT

THE PROBABLE failure of the main Western industrialised countries to fulfil the economic growth targets agreed at the Downing Street summit in May is likely to be the main theme of a follow-up meeting in Washington in three weeks' time.

This meeting has been confirmed following the hints by Prime Minister on Friday, when he indicated that he was disappointed with the results of the earlier summit.

The talk will be held at the same time as the International Monetary Fund annual meeting, also in Washington, but will be separate.

Senior officials from the seven summit participants will attend. The U.K. team will be led by Sir John Hunt, the Cabinet Secretary, with Sir Michael Palliser from the Foreign Office and Mr. Ken Couzens from the Treasury.

The talks are at present intended to be essentially a post-mortem and follow-up to the earlier meeting rather than a preparation for a new summit. But a later meeting of political leaders has not been ruled out.

There is no formal agenda yet. But the main item will be a review of progress on how far the economic growth targets for 1977 agreed in May have been achieved.

The talks are also likely to cover the suggestions about an improved system of medium-term economic targets put forward at the ministerial meeting of the Organisation for Economic Co-operation and Development two months ago.

A problem about the economic growth commitments made in May is that effectively it will be too late to introduce corrective measures by the time they do not look like being achieved. So it has been suggested that any future targets should be at least a year ahead and thus should be more achievable.

Mr. James Callaghan last week made it clear his disappointment in the decision of the summit to expand in West Germany and the U.S., and referred to the Western leaders' commitment in May to countervailing measures if growth did fall short of target.

By the time the Washington talks occur, both the Japanese and West German Governments should be able to point to new expansionary economic packages as a sign of their good intentions in carrying out their May commitments. Since the May meeting, there has been increasing concern about the slowdown in the world economy.

Other disagreements given prominence by the paper included the level of the national minimum wage and the Socialists' refusal to accept Communist proposals on capital and wealth taxes and wage differentials.

On defence, M. Jean Kanapa, the Communist Party's foreign affairs expert, said that while his party had come out un-

Power cuts could hit many parts of Britain to-day

By DAVID CHURCHILL, LABOUR STAFF

MANY PARTS of Britain could face electricity cuts or reduced voltage this morning because of the threatened two-day unofficial strike by power station workers.

The most vulnerable hours are 7 a.m. to about 9 a.m. when demand is at its highest because of breakfast cooking.

The strike action was planned by workers in about 40 of the 170 power stations throughout Britain. They are protesting at the lack of negotiations on their demands for improved shift pay—from £4 to £10 a week—and better fringe benefits.

An unofficial shop stewards' committee, based in Yorkshires, was set up to press their demands.

On Sunday, the committee turned down an appeal from full-time union officials to call off the strike, pending the start of official negotiations in a few weeks' time. The committee said the official union action had come "too late."

Effects of the power workers' action on electricity supplies were difficult to determine yesterday because of the unofficial nature of the strike.

The Electricity Council said it could mean little more than a degree of voltage reduction which would pass unnoticed by most customers.

"On the other hand, if the unofficial movement was to receive the full support it has publicly claimed, there could be a higher level of discomfort and hardship," a spokesman said.

The four main unions to which the power workers belong were also unable yesterday to estimate the degree of support for the strike. The General and Municipal Workers said that the issues would be discussed on September 16 with the Electricity Council.

"I do not know if the men have as much support as they claim," the spokesman said. The other unions involved are: the Transport and General Workers' Union, the Electrical and Plumbing Trades Union, and the Amalgamated Union of Engineering Workers.

The Electrical Power Engineers Association, which represents skilled engineers and management, has instructed its 34,000 members "to do all possible to maintain the electricity supply and to limit the massive disruption that would occur otherwise."

Mexico is expected to pay a margin of 1 per cent. over inter-bank rates, a figure in line with what it has been paying on recent loans.

The bank's management fee is 1 per cent. lower than has been the case recently for Mexico.

Mexico to raise \$1 bn. loan

By Francis Ghiles

MEXICO IS to raise a loan of at least \$1bn. for seven years from international banks. The loan is expected to meet most of its foreign exchange needs to the end of the current year.

It has already borrowed well over \$1bn. this year and has held the IMF. It would not increase its net bank borrowings by more than \$3bn. during the year. The amount of the loan at present being negotiated could be increased if the response from the banks is good.

Up to 2,500 delegates are expected to attend the conference, some in groups from large companies and trade unions.

Many of the protests aired will concern Government and trade union power. It will be proposed that the CBI should withdraw from co-operation with the Government in joint bodies such as the National Economic Development Council.

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Nor were they prepared to accept the Communists' doctrine of defence in all directions. First formulated by General de Gaulle.

The motives for the virulent Communist campaign are the subject of daily speculation by political commentators.

Most of them still believe that the Communists are adopting essentially a tactical position and do not want to provoke a final break.

Their aim is to pin down the Socialists to detailed policies before the election, from which the latter are expected to emerge as the dominant party.

But whatever the Communists' real motives, relations between the two parties have now deteriorated to the point at which the whole credibility of the Union of the Left has been seriously undermined in the public opinion.

French Budget, Page 4

French Left quarrel grows

By ROBERT MAUTHNER

PARIS, Sept. 5.

THE BITTER quarrel between the French Communist and Socialist Parties—the two main partners of the opposition Union of the Left—reached new extremes to-day with publication by the Communist Party newspaper L'Humanite of a detailed catalogue of their differences.

L'Humanite's two-page supplement of which 6m. copies were printed, was published only some 10 days before the scheduled "summit" of the Left, at which final agreement is supposed to be reached on updating its five-year-old common programme.

Judging by the terms in which the supplement was couched, the prospects for such an agreement are now very slim.

In a front-page article, M. Georges Marchais, Communist secretary-general, said that "serious differences" remained to be ironed out between the two parties over the whole range of social, economic and defence policies set out in the common programme.

If the Socialist Party's proposals were accepted, the new policies expected by the French

working class would never be implemented.

The Communist Party could not be expected to "manage the crisis" facing the country and apply austerity policies.

M. Marchais was, in effect, replying to a much-quoted statement made a few days ago by M. Francois Mitterrand, his Socialist opposite number, in which he said "Yes" to the Left's common programme but "No" to the Communist programme.

Among the points at issue, L'Humanite listed the nationalisation programme, which the Communists want to extend and the Socialists want to restrict to the original nine industrial groups and the banking and financial sectors.

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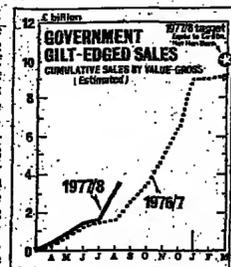
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French Budget, Page 4

THE LEX COLUMN

Long gilts wait to join the party

Index rose 12.0 to 519.5



A seasonally adjusted public sector borrowing requirement of £1.7bn. in the first quarter of the financial year provides further evidence of the way in which the economic background is developing favourably for the gilt-edged market. Projecting the full year's output is, of course, a risky procedure at this early stage: special factors affecting April-June include the absence of the income-tax concessions which have since become effective, and the crediting of some £150m. of DP sale proceeds (the rest coming in December). Still, it is possible to see the 1977-78 PSBR coming out at £8bn. or less, against the last official forecast of £8.5bn.

Although continuing to be overshadowed by the progress of the equity market, gilts picked up speed yesterday, and the F.T. Government Securities Index level of 71.27 has only been exceeded on one day (May 18), this year. Since May, however, the longs have significantly underperformed the shorts which have been much more directly under the influence of declining money rates. Two of the F.T. Actuaries five-year gilt-edged yield indices reached new lows yesterday, but although the yield on the high coupon 25-year index has now dipped under 13 per cent. it remains 0.44 points above the figure attained in mid-May.

Yesterday the institutions were switching finger and significant number of investors from the U.S. and abroad are now putting at the long end, where the glut of stock only a week or two ago has turned into a shortage. Exchequer 123 per cent. 1994 yesterday moved ahead of its issue price. There are obvious risks, of which the most immediate is the TUC vote on the 12-month rule. But it is hard to see that the Treasury will think it necessary to pay such high rates of interest on long-term borrowing for very much longer.

Decca

For the second year running, Decca has suggested lower profits for the year but then produced an increase this time a useful 17 per cent. more pre-tax at £15.9m. The slow-down in records, and the costs of reorganising the U.S. radar company, have been more than offset by a 58 per cent. rise in trading profits from the capital goods side during the second

Labour day and down in Africa they were seen Settlers' day but this is the last few weeks to prevail many of the other world stock markets ahead. Apart from where equities were in line for the Japanese moved into new high for 1977 and the Tokyo Jones Industrial average rose by nearly a tenth late July. It is now only cent. off its all-time high. Over the last few weeks seems to have been improvement in sentiment many of the world's major markets. Whereas for the year they have troubled by the signals coming out of Street, the space of falling packages now being jingling growth rates, has been well received. arduous stock markets.

Japan cut its discount rate yesterday for the third time this year and is following static for four years, while trading profits have steadily declined from 1974's £10.9m. so 6.7 per cent. growth in profits now come from the consumer side.

The market for records and TV has remained depressed in the first half of the current year, though TV may not have lost money and the worst problems of the U.S. records business should have been cured. But this year Decca's profits are likely to rely at least as much as ever on the capital goods side, and there looks to be sufficient growth from Navigator systems, the revived marine radar side and electronic warfare contracts to carry Decca out of the £13m. £16m. profits territory it has been inhabiting for five years.

The results were good enough to make the shares—the voters put on 28p to 440p—stand out even in yesterday's market. A temporary lull in bid speculation has left these only 10p higher than the "A" shares and the Board, with 19 per cent. of the votes, shows no sign yet of relying on any of the industry's rationalisation moves. With the engineering resources it controls, it could command comfortably more than the current p/e of 123 should it change its mind.

World markets

North American stock markets were closed yesterday for

vertical integration. Odgers and Co. are Management Consultants specialising in Executive Recruitment. We are extending our contacts with young executives of outstanding ability and ambition in the field of finance.

We would like to hear from people aged 26 to 45 who feel that in developing their careers over the next few years they should not rule out the possibility of a move to a bigger job in another company. We are interested particularly in those who are happy in their present positions and are doing well, but who nevertheless wish to keep in touch with the market so that if an outstanding opportunity comes along they will be in a position to learn more about it.

As a first step, please write to Ian H.D. Odgers, Managing Director, giving a brief summary of your experience, qualifications, age and salary. Alternatively, write asking for more information about Odgers and Co.

Any approach will be treated in the very strictest confidence.

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Odgers and Co. Ltd, Adelaide House, London Bridge—London EC4R 9DS. Telephone 01-626 1086

TGWU

Continued from Page 1

The expected majority in favour of maintaining the rule narrowed further yesterday as it was learned that delegates representing the 85,000 Agricultural Workers had narrowly decided to oppose the rule.

The TUC General Council met to consider the compromise resolution supporting the rule and voted 29 to 24 in its favour. The TUC help for the Government's strict pay target for the coming 12 months.

Mr. James Callaghan is due to address Congress this afternoon against a background of growing rank and file revolt against the rule. The TUC help for the Government's strict pay target for the coming 12 months.

Handwritten note: "July, 1977"